

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(a)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$80,131,552 [2]	3.97% [1]	1.99%	\$3,181,223 [8]
2.	Equity	50.00%	80,131,553 [2]	9.03% [6]	4.52%	7,231,974 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$160,263,105</u> [3]		<u>6.50%</u>	<u>\$10,413,197</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$80,131,552 [4]	3.97% [1]	1.99%	\$3,181,223 [8]
5.	Equity	50.00%	80,131,553 [4]	15.94% [6]	7.97%	12,776,875 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$160,263,105</u> [3]		<u>9.96%</u>	<u>\$15,958,098</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$80,131,552 [5]	3.97% [1]	1.99%	\$3,181,223 [8]
8.	Equity	50.00%	80,131,553 [5]	9.50% [1]	4.75%	7,612,498 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$160,263,105</u> [3]		<u>6.74%</u>	<u>\$10,793,721</u>

[1] Provided by Public Staff witness Hinton.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a), Line 15, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Line 40, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Line 40, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(b)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$34,654,601 [2]	3.97% [1]	1.99%	\$1,375,788 [8]
2.	Equity	50.00%	34,654,600 [2]	9.76% [6]	4.88%	3,382,256 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$69,309,201</u> [3]		<u>6.87%</u>	<u>\$4,758,044</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$34,654,601 [4]	3.97% [1]	1.99%	\$1,375,788 [8]
5.	Equity	50.00%	34,654,600 [4]	16.20% [6]	8.10%	5,613,330 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$69,309,201</u> [3]		<u>10.09%</u>	<u>\$6,989,118</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$34,654,601 [5]	3.97% [1]	1.99%	\$1,375,788 [8]
8.	Equity	50.00%	34,654,600 [5]	9.50% [1]	4.75%	3,292,187 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$69,309,201</u> [3]		<u>6.74%</u>	<u>\$4,667,975</u>

[1] Provided by Public Staff witness Hinton.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b), Line 15, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Line 41, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Line 41, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(c)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$2,327,882 [2]	3.97% [1]	1.99%	\$92,417 [8]
2.	Equity	50.00%	2,327,883 [2]	6.16% [6]	3.08%	143,447 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$4,655,765</u> [3]		<u>5.07%</u>	<u>\$235,864</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$2,327,882 [4]	3.97% [1]	1.99%	\$92,417 [8]
5.	Equity	50.00%	2,327,883 [4]	24.86% [6]	12.43%	578,760 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$4,655,765</u> [3]		<u>14.42%</u>	<u>\$671,177</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$2,327,882 [5]	3.97% [1]	1.99%	\$92,417 [8]
8.	Equity	50.00%	2,327,883 [5]	9.50% [1]	4.75%	221,149 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$4,655,765</u> [3]		<u>6.74%</u>	<u>\$313,566</u>

[1] Provided by Public Staff witness Hinton.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c), Line 15, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Line 40, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Line 40, Column (e).

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Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(d)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,841,386 [2]	3.97% [1]	1.99%	\$311,303 [8]
2.	Equity	50.00%	7,841,385 [2]	4.45% [6]	2.23%	349,058 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,682,771</u> [3]		<u>4.21%</u>	<u>\$660,361</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,841,386 [4]	3.97% [1]	1.99%	\$311,303 [8]
5.	Equity	50.00%	7,841,385 [4]	17.73% [6]	8.87%	1,390,382 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,682,771</u> [3]		<u>10.85%</u>	<u>\$1,701,685</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,841,386 [5]	3.97% [1]	1.99%	\$311,303 [8]
8.	Equity	50.00%	7,841,385 [5]	9.50% [1]	4.75%	744,932 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,682,771</u> [3]		<u>6.74%</u>	<u>\$1,056,235</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d), Line 15, Column (c).
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Line 41, Column (c).
[11] Line 6 - Line 4, Column (e).
[12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Line 41, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(e)

Line No.	Item	<u>Base Year</u>				
		Capitalization Ratio [1]	Original Cost Rate Base [2]	Embedded Cost [3]	Overall Cost Rate [7]	Net Operating Income [8]
		(a)	(b)	(c)	(d)	(e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$16,105,201 [2]	3.97% [1]	1.99%	\$639,376 [8]
2.	Equity	50.00%	16,105,200 [2]	6.27% [6]	3.14%	1,009,336 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$32,210,401</u> [3]		<u>5.12%</u>	<u>\$1,648,712</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$16,105,201 [4]	3.97% [1]	1.99%	\$639,376 [8]
5.	Equity	50.00%	16,105,200 [4]	14.27% [6]	7.14%	2,298,029 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$32,210,401</u> [3]		<u>9.12%</u>	<u>\$2,937,405</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$16,105,201 [5]	3.97% [1]	1.99%	\$639,376 [8]
8.	Equity	50.00%	16,105,200 [5]	9.50% [1]	4.75%	1,529,994 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$32,210,401</u> [3]		<u>6.74%</u>	<u>\$2,169,370</u>

[1] Provided by Public Staff witness Hinton.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e), Line 15, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Line 40, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Line 40, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(a)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$91,715,300 [2]	3.97% [1]	1.99%	\$3,641,097 [8]
2.	Equity	50.00%	91,715,300 [2]	12.17% [6]	6.09%	11,161,125 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$183,430,600 [3]</u>		<u>8.07%</u>	<u>\$14,802,222 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$91,715,300 [4]	3.97% [1]	1.99%	\$3,641,097 [8]
5.	Equity	50.00%	91,715,300 [4]	14.04% [6]	7.02%	12,872,253 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$183,430,600 [3]</u>		<u>9.01%</u>	<u>\$16,513,350 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$91,715,300 [5]	3.97% [1]	1.99%	\$3,641,097 [8]
8.	Equity	50.00%	91,715,300 [5]	9.30% [1]	4.65%	8,529,523 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$183,430,600 [3]</u>		<u>6.64%</u>	<u>\$12,170,620</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (c) Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(b)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$40,737,372 [2]	3.97% [1]	1.99%	\$1,617,274 [8]
2.	Equity	50.00%	40,737,372 [2]	11.96% [6]	5.98%	4,871,121 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$81,474,744 [3]</u>		<u>7.97%</u>	<u>\$6,488,395 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$40,737,372 [4]	3.97% [1]	1.99%	\$1,617,274 [8]
5.	Equity	50.00%	40,737,372 [4]	13.57% [6]	6.79%	5,529,528 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$81,474,744 [3]</u>		<u>8.77%</u>	<u>\$7,146,802 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$40,737,372 [5]	3.97% [1]	1.99%	\$1,617,274 [8]
8.	Equity	50.00%	40,737,372 [5]	9.30% [1]	4.65%	3,788,576 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$81,474,744 [3]</u>		<u>6.64%</u>	<u>\$5,405,850</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (c), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(c)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$4,999,225 [2]	3.97% [1]	1.99%	\$198,469 [8]
2.	Equity	50.00%	4,999,225 [2]	7.76% [6]	3.88%	387,878 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$9,998,450 [3]</u>		<u>5.87%</u>	<u>\$586,347 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$4,999,225 [4]	3.97% [1]	1.99%	\$198,469 [8]
5.	Equity	50.00%	4,999,225 [4]	11.27% [6]	5.64%	563,221 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$9,998,450 [3]</u>		<u>7.62%</u>	<u>\$761,690 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$4,999,225 [5]	3.97% [1]	1.99%	\$198,469 [8]
8.	Equity	50.00%	4,999,225 [5]	9.30% [1]	4.65%	464,928 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$9,998,450 [3]</u>		<u>6.64%</u>	<u>\$663,397</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (c), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(d)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,900,899 [2]	3.97% [1]	1.99%	\$313,666 [8]
2.	Equity	50.00%	7,900,899 [2]	17.16% [6]	8.58%	1,355,885 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,801,798</u> [3]		<u>10.57%</u>	<u>\$1,669,551</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,900,899 [4]	3.97% [1]	1.99%	\$313,666 [8]
5.	Equity	50.00%	7,900,899 [4]	18.61% [6]	9.31%	1,470,344 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,801,798</u> [3]		<u>11.29%</u>	<u>\$1,784,010</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,900,899 [5]	3.97% [1]	1.99%	\$313,666 [8]
8.	Equity	50.00%	7,900,899 [5]	9.30% [1]	4.65%	734,784 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,801,798</u> [3]		<u>6.64%</u>	<u>\$1,048,450</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Line 15, Column (c).
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(e)-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$19,835,815 [2]	3.97% [1]	1.99%	\$787,482 [8]
2.	Equity	50.00%	19,835,814 [2]	9.69% [6]	4.85%	1,921,738 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$39,671,629 [3]</u>		<u>6.83%</u>	<u>\$2,709,220 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$19,835,815 [4]	3.97% [1]	1.99%	\$787,482 [8]
5.	Equity	50.00%	19,835,814 [4]	12.30% [6]	6.15%	2,439,892 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$39,671,629 [3]</u>		<u>8.14%</u>	<u>\$3,227,374 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$19,835,815 [5]	3.97% [1]	1.99%	\$787,482 [8]
8.	Equity	50.00%	19,835,814 [5]	9.30% [1]	4.65%	1,844,731 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$39,671,629 [3]</u>		<u>6.64%</u>	<u>\$2,632,213</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (c) Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(a)-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$96,958,505 [2]	3.97% [1]	1.99%	\$3,849,253 [8]
2.	Equity	50.00%	96,958,504 [2]	11.99% [6]	6.00%	11,624,764 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$193,917,009 [3]</u>		<u>7.98%</u>	<u>\$15,474,017 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$96,958,505 [4]	3.97% [1]	1.99%	\$3,849,253 [8]
5.	Equity	50.00%	96,958,504 [4]	14.04% [6]	7.02%	13,616,647 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$193,917,009 [3]</u>		<u>9.01%</u>	<u>\$17,465,900 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$96,958,505 [5]	3.97% [1]	1.99%	\$3,849,253 [8]
8.	Equity	50.00%	96,958,504 [5]	9.30% [1]	4.65%	9,017,141 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$193,917,009 [3]</u>		<u>6.64%</u>	<u>\$12,866,394</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (f), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
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[11] Line 6 - Line 4, Column (e).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(b)-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$46,654,768 [2]	3.97% [1]	1.99%	\$1,852,194 [8]
2.	Equity	50.00%	46,654,767 [2]	10.20% [6]	5.10%	4,757,641 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$93,309,535</u> [3]		<u>7.09%</u>	<u>\$6,609,835</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$46,654,768 [4]	3.97% [1]	1.99%	\$1,852,194 [8]
5.	Equity	50.00%	46,654,767 [4]	12.03% [6]	6.02%	5,613,535 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$93,309,535</u> [3]		<u>8.00%</u>	<u>\$7,465,729</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$46,654,768 [5]	3.97% [1]	1.99%	\$1,852,194 [8]
8.	Equity	50.00%	46,654,767 [5]	9.30% [1]	4.65%	4,338,893 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$93,309,535</u> [3]		<u>6.64%</u>	<u>\$6,191,087</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (f), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(c)-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$5,233,267 [2]	3.97% [1]	1.99%	\$207,761 [8]
2.	Equity	50.00%	5,233,267 [2]	9.56% [6]	4.78%	500,075 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$10,466,534 [3]</u>		<u>6.77%</u>	<u>\$707,836 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$5,233,267 [4]	3.97% [1]	1.99%	\$207,761 [8]
5.	Equity	50.00%	5,233,267 [4]	11.18% [6]	5.59%	585,133 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$10,466,534 [3]</u>		<u>7.58%</u>	<u>\$792,894 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$5,233,267 [5]	3.97% [1]	1.99%	\$207,761 [8]
8.	Equity	50.00%	5,233,267 [5]	9.30% [1]	4.65%	486,694 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$10,466,534 [3]</u>		<u>6.64%</u>	<u>\$694,455</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (f), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(d)-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$7,810,450 [2]	3.97% [1]	1.99%	\$310,075 [8]
2.	Equity	50.00%	7,810,451 [2]	18.33% [6]	9.17%	1,431,861 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$15,620,901</u> [3]		<u>11.15%</u>	<u>\$1,741,936</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$7,810,450 [4]	3.97% [1]	1.99%	\$310,075 [8]
5.	Equity	50.00%	7,810,451 [4]	18.77% [6]	9.39%	1,465,987 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$15,620,901</u> [3]		<u>11.37%</u>	<u>\$1,776,062</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$7,810,450 [5]	3.97% [1]	1.99%	\$310,075 [8]
8.	Equity	50.00%	7,810,451 [5]	9.30% [1]	4.65%	726,372 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$15,620,901</u> [3]		<u>6.64%</u>	<u>\$1,036,447</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Column (f), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(e)-RY2

Line No.	<u>Item</u>	<u>Rate Year 2</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$21,265,021 [2]	3.97% [1]	1.99%	\$844,221 [8]
2.	Equity	50.00%	21,265,020 [2]	10.38% [6]	5.19%	2,206,599 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$42,530,041 [3]</u>		<u>7.18%</u>	<u>\$3,050,820 [10]</u>
 <u>Company proposed rates:</u>						
4.	Debt	50.00%	\$21,265,021 [4]	3.97% [1]	1.99%	\$844,221 [8]
5.	Equity	50.00%	21,265,020 [4]	11.97% [6]	5.99%	2,544,431 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$42,530,041 [3]</u>		<u>7.97%</u>	<u>\$3,388,652 [12]</u>
 <u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$21,265,021 [5]	3.97% [1]	1.99%	\$844,221 [8]
8.	Equity	50.00%	21,265,020 [5]	9.30% [1]	4.65%	1,977,647 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$42,530,041 [3]</u>		<u>6.64%</u>	<u>\$2,821,868</u>

[1] Provided by Public Staff witness Hinton.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (f), Line 15.
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(a)-RY3

Line No.	Item	<u>Rate Year 3</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$101,859,848 [2]	3.97% [1]	1.99%	\$4,043,836 [8]
2.	Equity	50.00%	101,859,848 [2]	12.59% [6]	6.30%	12,819,458 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$203,719,696 [3]</u>		<u>8.28%</u>	<u>\$16,863,294 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$101,859,848 [4]	3.97% [1]	1.99%	\$4,043,836 [8]
5.	Equity	50.00%	101,859,848 [4]	14.72% [6]	7.36%	14,997,791 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$203,719,696 [3]</u>		<u>9.35%</u>	<u>\$19,041,627 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$101,859,848 [5]	3.97% [1]	1.99%	\$4,043,836 [8]
8.	Equity	50.00%	101,859,848 [5]	9.30% [1]	4.65%	9,472,966 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$203,719,696 [3]</u>		<u>6.64%</u>	<u>\$13,516,802</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(a)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(b)-RY3

Line No.	Item	<u>Rate Year 3</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$48,020,012 [2]	3.97% [1]	1.99%	\$1,906,394 [8]
2.	Equity	50.00%	48,020,013 [2]	11.13% [6]	5.57%	5,344,802 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$96,040,025</u> [3]		<u>7.55%</u>	<u>\$7,251,196</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$48,020,012 [4]	3.97% [1]	1.99%	\$1,906,394 [8]
5.	Equity	50.00%	48,020,013 [4]	13.13% [6]	6.57%	6,304,258 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$96,040,025</u> [3]		<u>8.55%</u>	<u>\$8,210,652</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$48,020,012 [5]	3.97% [1]	1.99%	\$1,906,394 [8]
8.	Equity	50.00%	48,020,013 [5]	9.30% [1]	4.65%	4,465,861 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$96,040,025</u> [3]		<u>6.64%</u>	<u>\$6,372,255</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(b)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
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[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(c)-RY3

FAIRWAYS WATER OPERATIONS

Line No.	Item	<u>Rate Year 3</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$5,686,808 [2]	3.97% [1]	1.99%	\$225,766 [8]
2.	Equity	50.00%	5,686,807 [2]	9.65% [6]	4.83%	548,601 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$11,373,615</u> [3]		<u>6.81%</u>	<u>\$774,367</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$5,686,808 [4]	3.97% [1]	1.99%	\$225,766 [8]
5.	Equity	50.00%	5,686,807 [4]	10.66% [6]	5.33%	606,039 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$11,373,615</u> [3]		<u>7.32%</u>	<u>\$831,805</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$5,686,808 [5]	3.97% [1]	1.99%	\$225,766 [8]
8.	Equity	50.00%	5,686,807 [5]	9.30% [1]	4.65%	528,873 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$11,373,615</u> [3]		<u>6.64%</u>	<u>\$754,639</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(c)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
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Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(d)-RY3

FAIRWAYS SEWER OPERATIONS

Line No.	Item	<u>Rate Year 3</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$8,654,160 [2]	3.97% [1]	1.99%	\$343,570 [8]
2.	Equity	50.00%	8,654,160 [2]	15.74% [6]	7.87%	1,362,095 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$17,308,320</u> [3]		<u>9.86%</u>	<u>\$1,705,665</u> [10]
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$8,654,160 [4]	3.97% [1]	1.99%	\$343,570 [8]
5.	Equity	50.00%	8,654,160 [4]	16.82% [6]	8.41%	1,455,297 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$17,308,320</u> [3]		<u>10.40%</u>	<u>\$1,798,867</u> [12]
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$8,654,160 [5]	3.97% [1]	1.99%	\$343,570 [8]
8.	Equity	50.00%	8,654,160 [5]	9.30% [1]	4.65%	804,837 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$17,308,320</u> [3]		<u>6.64%</u>	<u>\$1,148,407</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(d)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
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[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
RETURN ON ORIGINAL COST RATE BASE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 1(e)-RY3

BROOKWOOD WATER OPERATIONS

Line No.	Item	<u>Rate Year 3</u>				
		Capitalization Ratio [1] (a)	Original Cost Rate Base (b)	Embedded Cost (c)	Overall Cost Rate [7] (d)	Net Operating Income (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$22,681,898 [2]	3.97% [1]	1.99%	\$900,471 [8]
2.	Equity	50.00%	22,681,898 [2]	10.67% [6]	5.34%	2,420,103 [9]
3.	Total (L1 + L2)	<u>100.00%</u>	<u>\$45,363,796 [3]</u>		<u>7.32%</u>	<u>\$3,320,574 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$22,681,898 [4]	3.97% [1]	1.99%	\$900,471 [8]
5.	Equity	50.00%	22,681,898 [4]	12.03% [6]	6.02%	2,728,561 [11]
6.	Total (L4 + L5)	<u>100.00%</u>	<u>\$45,363,796 [3]</u>		<u>8.00%</u>	<u>\$3,629,032 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$22,681,898 [5]	3.97% [1]	1.99%	\$900,471 [8]
8.	Equity	50.00%	22,681,898 [5]	9.30% [1]	4.65%	2,109,417 [8]
9.	Total (L7 + L8)	<u>100.00%</u>	<u>\$45,363,796 [3]</u>		<u>6.64%</u>	<u>\$3,009,888</u>

[1] Provided by Public Staff witness Hinton.
[2] Column (a) x Line 3, Column (b).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 2(e)-RY, Column (i), Line 15.
[4] Column (a) x Line 6, Column (b).
[5] Column (a) x Line 9, Column (b).
[6] Column (e) divided by Column (b).
[7] Column (a) x Column (c).
[8] Column (b) x Column (c).
[9] Line 3 - Line 1, Column (e).
[10] Public Staff calculated net operating income under present rate.
[11] Line 6 - Line 4, Column (e).
[12] Public Staff calculated net operating income under proposed rate.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021
COMBINED OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2

<u>Line No.</u>	<u>Item</u>	<u>Amount Per Application</u> [1] (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>Amount Per Public Staff</u> [1] (c)
1.	Plant in service	\$662,627,488	(\$51,067,662)	\$611,559,826
2.	Accumulated depreciation	(168,110,793)	(4,005,122)	(172,115,915)
3.	Contributions in aid of construction	(219,348,798)	(2,194,617)	(221,543,415)
4.	Accumulated amortization of CIAC	93,090,963	(1,619,806)	91,471,157
5.	Acquisition adjustments	1,951,369	23,400	1,974,769
6.	Accum. amort. of acquisition adjustments	203,376	56,522	259,898
7.	Advances for construction	<u>(3,744,691)</u>	<u>370,320</u>	<u>(3,374,371)</u>
8.	Net plant in service	366,668,914	(58,436,964)	308,231,949
9.	Customer deposits	(280,618)	27,581	(253,037)
10.	Unclaimed refunds and cost-free capital	(193,255)	124,179	(69,076)
11.	Accumulated deferred income taxes	(37,434,098)	2,035,672	(35,398,426)
12.	Materials and supplies inventory	3,548,743	(104,699)	3,444,044
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	<u>6,626,563</u>	<u>(460,773)</u>	<u>6,165,790</u>
15.	Original cost rate base	<u>\$338,936,248</u>	<u>(\$56,815,005)</u>	<u>\$282,121,243</u>

[1] Sum of amounts from Public Staff Corrected WSIP Exhibit 1, Schedules 2(a) through 2(e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(a)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [11] (c)
1.	Plant in service	355,578,457	(\$20,896,358) [1]	\$334,682,099
2.	Accumulated depreciation	(99,084,200)	(1,366,490) [2]	(100,450,690)
3.	Contributions in aid of construction	(102,549,100)	(1,370,206) [3]	(103,919,306)
4.	Accumulated amortization of CIAC	42,289,376	(612,341) [4]	41,677,035
5.	Acquisition adjustments	5,985,304	23,400 [5]	6,008,704
6.	Accum. amort. of acquisition adjustments	(3,182,927)	88,205 [6]	(3,094,722)
7.	Advances for construction	<u>(2,745,087)</u>	255,000 [7]	<u>(2,490,087)</u>
8.	Net plant in service	196,291,823	(23,878,789)	172,413,034
9.	Customer deposits	(218,900)	19,935 [8]	(198,965)
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)
11.	Accumulated deferred income taxes	(19,983,443)	993,463	(18,989,980)
12.	Materials and supplies inventory	2,951,946	(87,092) [9]	2,864,854
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	<u>4,533,901</u>	(313,157) [10]	<u>4,220,744</u>
15.	Original cost rate base	<u>\$183,528,745</u>	<u>(\$23,265,640)</u>	<u>\$160,263,105</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (a).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (a).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (a).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (a).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 5, Column (a).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (a).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (a).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (a).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (a).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (a).
- [11] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(b)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$204,286,509	(\$15,645,334) [1]	\$188,641,175
2.	Accumulated depreciation	(52,802,324)	(1,596,163) [2]	(54,398,487)
3.	Contributions in aid of construction	(91,744,047)	(749,771) [3]	(92,493,818)
4.	Accumulated amortization of CIAC	39,266,747	(809,475) [4]	38,457,272
5.	Acquisition adjustments	(4,002,509)	0	(4,002,509)
6.	Accum. amort. of acquisition adjustments	3,357,937	(31,759) [5]	3,326,178
7.	Advances for construction	(966,574)	105,000 [6]	(861,574)
8.	Net plant in service	97,395,739	(18,727,502)	78,668,237
9.	Customer deposits	(4,938)	436 [7]	(4,502)
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)
11.	Accumulated deferred income taxes	(11,547,230)	614,424	(10,932,806)
12.	Materials and supplies inventory	449,831	(13,271) [8]	436,560
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	1,227,155	(79,100) [9]	1,148,055
15.	Original cost rate base	<u>\$87,514,215</u>	<u>(\$18,205,014)</u>	<u>\$69,309,201</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (b).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (b).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (b).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (b).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (b).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (b).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (b).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (b).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (b).
- [10] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(c)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [9] (c)
1.	Plant in service	17,877,676	(\$2,746,885) [1]	\$15,130,791
2.	Accumulated depreciation	(3,728,234)	(179,059) [2]	(3,907,293)
3.	Contributions in aid of construction	(8,657,705)	(54,450) [3]	(8,712,155)
4.	Accumulated amortization of CIAC	3,007,447	(75,866) [4]	2,931,581
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)
8.	Net plant in service	8,451,154	(3,045,940)	5,405,213
9.	Customer deposits	(4,431)	290 [6]	(4,141)
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339)
11.	Accumulated deferred income taxes	(911,990)	19,449	(892,541)
12.	Materials and supplies inventory	28,284	(834) [7]	27,450
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	143,987	(16,865) [8]	127,122
15.	Original cost rate base	<u>\$7,699,665</u>	<u>(\$3,043,900)</u>	<u>\$4,655,765</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (c).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (c).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (c).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (c).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-5, Line 5, Column (c).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (c).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (c).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (c).
- [9] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(d)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)
1.	Plant in service	\$33,467,272	(\$6,609,611) [1]	\$26,857,661
2.	Accumulated depreciation	(3,341,327)	(537,506) [2]	(3,878,833)
3.	Contributions in aid of construction	(8,387,127)	(11,000) [3]	(8,398,127)
4.	Accumulated amortization of CIAC	2,556,923	(70,955) [4]	2,485,968
5.	Acquisition adjustments	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0
7.	Advances for construction	15,000	0	15,000
8.	Net plant in service	24,310,741	(7,229,072)	17,081,669
9.	Customer deposits	(92)	(5) [5]	(97)
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,577,322)	47,681	(1,529,641)
12.	Materials and supplies inventory	8,739	(258) [6]	8,481
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	132,720	(10,144) [7]	122,576
15.	Original cost rate base	<u>\$22,874,569</u>	<u>(\$7,191,798)</u>	<u>\$15,682,771</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (d).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (d).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (d).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (d).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (d).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (d).
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (d).
- [8] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(e)

Line No.	Item	<u>Base Year</u>		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)
1.	Plant in service	\$51,417,574	(\$5,169,474) [1]	\$46,248,100
2.	Accumulated depreciation	(9,154,708)	(325,904) [2]	(9,480,612)
3.	Contributions in aid of construction	(8,010,819)	(9,190) [3]	(8,020,009)
4.	Accumulated amortization of CIAC	5,970,470	(51,169) [4]	5,919,301
5.	Acquisition adjustments	(31,426)	0	(31,426)
6.	Accum. amort. of acquisition adjustments	28,366	76 [5]	28,442
7.	Advances for construction	0	0	0
8.	Net plant in service	40,219,457	(5,555,661)	34,663,796
9.	Customer deposits	(52,257)	6,925 [6]	(45,332)
10.	Unclaimed refunds and cost-free capital	(132,775)	124,179 [7]	(8,596)
11.	Accumulated deferred income taxes	(3,414,113)	360,655	(3,053,458)
12.	Materials and supplies inventory	109,943	(3,244) [8]	106,699
13.	Excess capacity adjustment	0	0	0
14.	Working capital allowance	588,800	(41,508) [9]	547,292
15.	Original cost rate base	<u>\$37,319,055</u>	<u>(\$5,108,654)</u>	<u>\$32,210,401</u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1, Line 3, Column (e).
- [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-2, Line 4, Column (e).
- [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 1, Column (e).
- [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 2, Column (e).
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 2-4, Line 11, Column (e).
- [6] Public Staff Corrected WSIP Exhibit 1, Schedule 2-6, Line 3, Column (e).
- [7] Based on response to Data Request 2.
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 2-7, Line 3, Column (e).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 2-8, Line 14, Column (e).
- [10] Column (a) plus Column (b).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(a)-RY

AQUA WATER OPERATIONS		Rate Year 1			Rate Year 2			Rate Year 3		
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i)
1.	Plant in service	378,667,373	(\$13,741,220) [1]	\$364,926,153	399,750,002	(\$15,913,567) [1]	\$383,836,436	420,192,197	(\$17,373,602) [1]	\$402,818,594
2.	Accumulated depreciation	(107,765,444)	(102,889) [2]	(107,868,333)	(118,207,148)	852,642 [2]	(117,354,505)	(129,476,198)	1,928,695 [2]	(127,547,502)
3.	Contributions in aid of construction	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]	(102,549,100)	(1,370,206)	(103,919,306) [3]
4.	Accumulated amortization of CIAC	44,307,965	122,236	44,430,201 [4]	46,326,554	183,354	46,509,908 [4]	48,345,143	244,472	48,589,615 [4]
5.	Acquisition adjustments (PAA)	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]	5,985,304	23,400	6,008,704 [5]
6.	Accum. amort. of acquisition adjustments	(3,449,590)	(2,749)	(3,452,339) [6]	(3,716,253)	(4,475)	(3,720,728) [6]	(3,982,916)	(6,201)	(3,989,117) [6]
7.	Advances for construction	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]	(2,745,087)	255,000	(2,490,087) [7]
8.	Net plant in service	212,451,421	(14,816,428)	197,634,993	224,844,273	(15,973,851)	208,870,422	235,769,343	(16,298,441)	219,470,902
9.	Customer deposits	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]	(218,900)	19,935	(198,965) [8]
10.	Unclaimed refunds and cost-free capital	(46,582)	0	(46,582)	(46,582)	0	(46,582)	(46,582)	0	(46,582)
11.	Accumulated deferred income taxes	(20,671,131)	0	(20,671,131)	(21,164,886)	0	(21,164,886)	(21,709,081)	0	(21,709,081)
12.	Materials and supplies inventory	3,041,685	(176,831)	2,864,854 [9]	3,134,152	(269,298)	2,864,854 [9]	3,229,430	(364,576)	2,864,854 [9]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	4,619,693	(772,262) [10]	3,847,431	4,086,553	(494,387) [10]	3,592,167	3,555,864	(217,295) [10]	3,338,569
15.	Original cost rate base	<u>\$199,176,185</u>	<u>(\$15,745,585)</u>	<u>\$183,430,600</u>	<u>\$210,634,610</u>	<u>(\$16,717,601)</u>	<u>\$193,917,009</u>	<u>\$220,580,074</u>	<u>(\$16,860,378)</u>	<u>\$203,719,696</u>

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (a)
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(a)
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c).
[10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (a).
[11] Column (a) plus Column (b).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (a).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(a).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(b).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (b).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c).
[10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (a).
[11] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (a).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(a).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(a), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 5, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(a), Line 3, Col (c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 7, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 9, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2(a), Line 12, Col(c).
[10] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (a).
[11] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(b)-RY

AQUA SEWER OPERATIONS		Rate Year 1				Rate Year 2				Rate Year 3			
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c)	Amount Per Application [10] (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f)	Amount Per Application [10] (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i)	Amount Per Application [10] (j)		
1.	Plant in service	\$212,405,438	(\$9,730,363) [1]	\$202,675,075	\$226,592,216	(\$9,898,371) [1]	\$216,693,846	\$232,897,344	(\$10,017,997) [1]	\$222,879,347			
2.	Accumulated depreciation	(58,209,002)	(654,512) [2]	(58,863,513)	(63,408,369)	(396,369) [2]	(63,804,738)	(69,836,787)	(43,235) [2]	(69,880,022)			
3.	Contributions in aid of construction	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]	(91,744,047)	(749,771)	(92,493,818) [3]			
4.	Accumulated amortization of CIAC	41,748,079	35,362	41,783,441 [4]	44,229,411	53,043	44,282,454 [4]	46,710,743	70,724	46,781,467 [4]			
5.	Acquisition adjustments (PAA)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)	(4,002,509)	0	(4,002,509)			
6.	Accum. amort. of acquisition adjustments	3,452,869	(345)	3,452,524 [5]	3,547,801	(518)	3,547,283 [5]	3,642,733	(691)	3,642,042 [5]			
7.	Advances for construction	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]	(966,574)	105,000	(861,574) [6]			
8.	Net plant in service	102,684,254	(10,994,629)	91,689,625	114,247,929	(10,886,986)	103,360,943	116,700,903	(10,635,970)	106,064,933			
9.	Customer deposits	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]	(4,938)	436	(4,502) [7]			
10.	Unclaimed refunds and cost-free capital	(6,342)	0	(6,342)	(6,342)	0	(6,342)	(6,342)	0	(6,342)			
11.	Accumulated deferred income taxes	(11,787,201)		(11,787,201)	(11,654,694)		(11,654,694)	(11,643,922)		(11,643,922)			
12.	Materials and supplies inventory	463,506	(26,946)	436,560 [8]	477,597	(41,037)	436,560 [8]	492,116	(55,556)	436,560 [8]			
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0			
14.	Working capital allowance	1,356,547	(209,943) [9]	1,146,604	1,307,205	(129,635) [9]	1,177,570	1,258,946	(65,649) [9]	1,193,297			
15.	Original cost rate base	<u>\$92,705,826</u>	<u>(\$11,231,082)</u>	<u>\$81,474,744</u>	<u>\$104,366,757</u>	<u>(\$11,057,222)</u>	<u>\$93,309,535</u>	<u>\$106,796,764</u>	<u>(\$10,756,739)</u>	<u>\$96,040,025</u>			

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (b)
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(b)
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(c)
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (b)
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (b).
[10] Column (a) plus Column (b).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (b).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(b).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(b).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (b).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (b).
[10] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (b).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(b).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(b), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-4-RY(b), Line 3, Col (c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 7, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 9, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(b), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (b).
[10] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(c)-RY

FAIRWAYS WATER OPERATIONS		Rate Year 1			Rate Year 2			Rate Year 3		
Line No.	Item	Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff (c) [9]	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff (f) [9]	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff (i) [9]
1.	Plant in service	\$20,728,343	(\$542,255) [1]	\$20,186,087	\$21,506,983	(\$593,557) [1]	\$20,913,425	\$22,695,671	(\$631,363) [1]	\$22,064,309
2.	Accumulated depreciation	(3,985,624)	97,347 [2]	(3,888,277)	(4,573,705)	180,140 [2]	(4,393,565)	(5,157,122)	258,120 [2]	(4,899,002)
3.	Contributions in aid of construction	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]	(8,657,705)	(54,450)	(8,712,155) [3]
4.	Accumulated amortization of CIAC	3,242,047	4,644	3,246,691 [4]	3,476,647	6,966	3,483,613 [4]	3,711,247	9,288	3,720,535 [4]
5.	Acquisition adjustments (PAA)	0	0	0	0	0	0	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0
7.	Advances for construction	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)	(48,030)	10,320 [5]	(37,710)
8.	Net plant in service	11,279,031	(484,395)	10,794,636	11,704,190	(450,582)	11,253,608	12,544,062	(408,085)	12,135,977
9.	Customer deposits	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]	(4,431)	290	(4,141) [6]
10.	Unclaimed refunds and cost-free capital	(7,339)	0	(7,339) [6]	(7,339)	0	(7,339) [6]	(7,339)	0	(7,339) [6]
11.	Accumulated deferred income taxes	(929,194)	0	(929,194)	(919,075)	0	(919,075)	(893,474)	0	(893,474)
12.	Materials and supplies inventory	29,144	(1,694)	27,450 [7]	30,030	(2,580)	27,450 [7]	30,943	(3,493)	27,450 [7]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	170,355	(53,317) [8]	117,038	147,188	(31,157) [8]	116,031	124,161	(9,018) [8]	115,143
15.	Original cost rate base	<u>\$10,537,566</u>	<u>(\$539,116)</u>	<u>\$9,998,450</u>	<u>\$10,950,563</u>	<u>(\$484,029)</u>	<u>\$10,466,534</u>	<u>\$11,793,922</u>	<u>(\$420,306)</u>	<u>\$11,373,615</u>

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (c)
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(c)
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(c)
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY1, Line 5, Col (c)
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (c).
[9] Column (a) plus Column (b).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (c).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(c).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(b).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY2, Line 5, Col (c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (c).
[9] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (c).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(c).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(c), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2-5-RY3, Line 5, Col (c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 9, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2(c), Line 12, Col(c).
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (c).
[9] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025
FAIRWAYS SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(d)-RY

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [8] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [8] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [8] (i)
1.	Plant in service	\$33,963,905	(\$6,493,843) [1]	\$27,470,062	\$34,439,229	(\$6,523,283) [1]	\$27,915,947	\$36,700,800	(\$6,544,256) [1]	\$30,156,544
2.	Accumulated depreciation	(4,266,389)	(322,213) [2]	(4,588,601)	(5,223,834)	(117,283) [2]	(5,341,117)	(6,028,633)	61,365 [2]	(5,967,267)
3.	Contributions in aid of construction	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]	(8,387,127)	(11,000)	(8,398,127) [3]
4.	Accumulated amortization of CIAC	2,770,503	458	2,770,961 [4]	2,984,083	687	2,984,770 [4]	3,197,663	916	3,198,579 [4]
5.	Acquisition adjustments	0	0	0	0	0	0	0	0	0
6.	Accum. amort. of acquisition adjustments	0	0	0	0	0	0	0	0	0
7.	Advances for construction	15,000	0	15,000	15,000	0	15,000	15,000	0	15,000
8.	Net plant in service	24,095,893	(6,826,598)	17,269,294	23,827,351	(6,650,879)	17,176,473	25,497,704	(6,492,975)	19,004,729
9.	Customer deposits	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]	(92)	(5)	(97) [5]
10.	Unclaimed refunds and cost-free capital	(217)	0	(217)	(217)	0	(217)	(217)	0	(217)
11.	Accumulated deferred income taxes	(1,595,081)	0	(1,595,081)	(1,686,504)	0	(1,686,504)	(1,830,824)	0	(1,830,824)
12.	Materials and supplies inventory	9,004	(523)	8,481 [6]	9,278	(797)	8,481 [6]	9,560	(1,079)	8,481 [6]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	152,591	(33,174) [7]	119,417	141,752	(18,987) [7]	122,765	131,003	(4,756) [7]	126,247
15.	Original cost rate base	<u>\$22,662,098</u>	<u>(\$6,860,300)</u>	<u>\$15,801,798</u>	<u>\$22,291,569</u>	<u>(\$6,670,668)</u>	<u>\$15,620,901</u>	<u>\$23,807,134</u>	<u>(\$6,498,815)</u>	<u>\$17,308,320</u>

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (d)
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(d)
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(c)
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (d).
[8] Column (a) plus Column (b).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (d).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(d).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(b).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (d).
[8] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (d).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(d).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(d), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 9, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(d), Line 12, Col(c).
[7] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (d).
[8] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ORIGINAL COST RATE BASE
For The Rate Year 1 - Rate Year 3 Ended
December 31, 2023-2025
BROOKWOOD WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2(e)-RY

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Application (a)	Public Staff Adjustments (b)	Amount Per Public Staff [10] (c)	Amount Per Application (d)	Public Staff Adjustments (e)	Amount Per Public Staff [10] (f)	Amount Per Application (g)	Public Staff Adjustments (h)	Amount Per Public Staff [10] (i)
1.	Plant in service	\$60,118,163	(\$4,750,196) [1]	\$55,367,967	\$65,409,475	(\$6,237,675) [1]	\$59,171,800	\$71,187,006	(\$7,687,640) [1]	\$63,499,366
2.	Accumulated depreciation	(9,959,642)	(137,139) [2]	(10,096,781)	(11,609,564)	160,875 [2]	(11,448,689)	(13,409,748)	517,645 [2]	(12,892,103)
3.	Contributions in aid of construction	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]	(8,010,819)	(9,190)	(8,020,009) [3]
4.	Accumulated amortization of CIAC	6,124,949	574	6,125,523 [4]	6,279,428	861	6,280,289 [4]	6,433,907	1,148	6,435,055 [4]
5.	Acquisition adjustments	(31,426)	0	(31,426)	(31,426)	0	(31,426)	(31,426)	0	(31,426)
6.	Accum. amort. of acquisition adjustments	28,137	(0)	28,137	27,908	(0)	27,908	27,679	0	27,679
7.	Advances for construction	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]	(52,257)	52,257	0 [5]
8.	Net plant in service	48,217,105	(4,843,694)	43,373,411	52,012,745	(6,032,871)	45,979,874	56,144,342	(7,125,780)	49,018,562
9.	Customer deposits	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]	(8,596)	(36,736)	(45,332) [6]
10.	Unclaimed refunds and cost-free capital	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]	(124,179)	115,583	(8,596) [7]
11.	Accumulated deferred income taxes	(3,747,895)		(3,747,895)	(3,975,287)		(3,975,287)	(4,155,983)		(4,155,983)
12.	Materials and supplies inventory	113,285	(6,586)	106,699 [8]	116,729	(10,030)	106,699 [8]	120,277	(13,579)	106,699 [8]
13.	Excess capacity adjustment	0	0	0	0	0	0	0	0	0
14.	Working capital allowance	636,724	(643,381) [9]	(6,657)	550,924	(78,241) [9]	472,684	465,484	(17,037) [9]	448,447
15.	Original cost rate base	<u>\$45,086,444</u>	<u>(\$5,414,815)</u>	<u>\$39,671,629</u>	<u>\$48,572,336</u>	<u>(\$6,042,295)</u>	<u>\$42,530,041</u>	<u>\$52,441,345</u>	<u>(\$7,077,549)</u>	<u>\$45,363,796</u>

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY1 Line 2, Col (e)
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY1, Line 2, Col(e)
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(e), Line 3, Col(c)
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 7, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 9, Col(c).
[7] Based on response to Data Request 2.
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY1, Line 14, Col (e).
[10] Column (a) plus Column (b).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY2 Line 2, Col (e).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY2, Line 2, Col(e).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(e), Line 3, Col(b).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 7, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 9, Col(c).
[7] Based on response to Data Request 2.
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY2, Line 14, Col (e).
[10] Column (d) plus Column (e).

[1] Public Staff Corrected WSIP Exhibit 1, Sch. 2-1-RY3 Line 2, Col (e).
[2] Public Staff Corrected WSIP Exhibit 1, Sch. 2-2-RY3, Line 2, Col(e).
[3] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 3, Col(c).
[4] Public Staff Corrected WSIP Exhibit 1, Sch. 2-3-RY(e), Line 3, Col(c).
[5] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 7, Col(c).
[6] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 9, Col(c).
[7] Based on response to Data Request 2.
[8] Public Staff Corrected WSIP Exhibit 1, Sch. 2(e), Line 12, Col(c).
[9] Public Staff Corrected WSIP Exhibit 1, Sch. 2-8-RY3, Line 14, Col (e).
[10] Column (g) plus Column (h).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	(\$20,536,176) [1]	(\$15,820,996) [1]	(\$2,795,952) [1]	(\$6,640,299) [1]	(\$5,274,239) [1]
2	Adjustment to allocate purchased vehicles	<u>(360,182) [2]</u>	<u>175,662 [2]</u>	<u>49,067 [2]</u>	<u>30,688 [2]</u>	<u>104,765 [2]</u>
3	Adjustment to plant in service (L1 + L2)	<u><u>(\$20,896,358)</u></u>	<u><u>(\$15,645,334)</u></u>	<u><u>(\$2,746,885)</u></u>	<u><u>(\$6,609,611)</u></u>	<u><u>(\$5,169,474)</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a), Line 5.

[2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(b), Line 1.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
 POST TEST YEAR ADDITIONS**
 For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 2-1(a)

Line No.	Item	Base Year				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
Plant in service						
1.	Updated post test year system additions per Company	\$5,887,746 [1]	\$3,397,060 [1]	\$56,404 [1]	(\$283,325) [1]	\$796,336 [1]
2.	Updated post test year IT additions per Company	(4,376,415) [1]	(1,229,223) [1]	(343,356) [1]	(214,741) [1]	(953,021) [1]
3.	Total post test year additions per Company updates (L1 + L2)	1,511,331	2,167,837	(286,952)	(498,066)	(156,685)
4.	Amount per Company application	22,047,507	17,988,833	2,509,000	6,142,233	5,117,554
5.	Adjustment to post test year additions (L3 - L4)	<u>(\$20,536,176)</u>	<u>(\$15,820,996)</u>	<u>(\$2,795,952)</u>	<u>(\$6,640,299)</u>	<u>(\$5,274,239)</u>
Accumulated depreciation						
6.	Updated post test year system additions per Company	(184,291) [1]	(91,004) [1]	(1,143) [1]	15,634 [1]	(17,221) [1]
7.	Removal of SIP	711,207	199,760	55,798	34,897	154,874
8.	Updated post test year IT additions per Company	4,232 [1]	1,189 [1]	332 [1]	208 [1]	922 [1]
9.	Total post test year additions per Company updates (L6 + L7)	531,148	109,945	54,987	50,739	138,575
10.	Amount per Company application	1,886,882	1,680,183	230,190	585,833	451,700
11.	Adjustment to accumulated depreciation (L8 - L9)	<u>(\$1,355,734)</u>	<u>(\$1,570,238)</u>	<u>(\$175,203)</u>	<u>(\$535,094)</u>	<u>(\$313,125)</u>
Depreciation expense						
12.	Updated post test year system additions per Company	184,291 [1]	91,004 [1]	1,143 [1]	(15,634) [1]	17,221 [1]
13.	Updated post test year IT additions per Company	(497,403) [1]	(139,708) [1]	(39,024) [1]	(24,407) [1]	(108,316) [1]
14.	Total post test year additions per Company updates (L11+ L12)	(313,112)	(48,704)	(37,881)	(40,041)	(91,095)
15.	Amount per Company application	562,849	318,591	49,009	96,634	116,923
16.	Adjustment to depreciation expense (L13 - L14)	<u>(\$875,961)</u>	<u>(\$367,295)</u>	<u>(\$86,890)</u>	<u>(\$136,675)</u>	<u>(\$208,018)</u>

[1] Amount provided by the Company in response to Public Staff Data Request

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ALLOCATE VEHICLES PURCHASED
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1(b)

Base Year

Line No.	<u>Item</u>	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1.	Adjustment to allocate purchased vehicles	<u>(\$360,182)</u>	<u>\$175,662</u>	<u>\$49,067</u>	<u>\$30,688</u>	<u>\$104,765</u>
2.	Adjustment to allocate accumulated depreciation of purchased vehicles	<u>\$28,310</u>	<u>(\$13,807)</u>	<u>(\$3,857)</u>	<u>(\$2,412)</u>	<u>(\$8,235)</u>
3.	Adjustment to allocate depreciation expense of purchased vehicles	<u>(\$28,310)</u>	<u>\$13,807</u>	<u>\$3,857</u>	<u>\$2,412</u>	<u>\$8,235</u>

[1] Amount provided by the Company in response to Public Staff Data Request and allocated using customer ratio from Rate Base Appendix 3.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1-RY1

Line No.	Item	<u>Rate Year 1</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$378,667,373 [1]	\$212,405,438 [1]	\$20,728,343 [1]	\$33,963,905 [1]	\$60,118,163 [1]
2	Adjustment to plant in service for rate year 1	<u>(13,741,220)</u>	<u>(9,730,363)</u>	<u>(542,255)</u>	<u>(6,493,843)</u>	<u>(4,750,196)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u><u>\$364,926,153</u></u> [2]	<u><u>\$202,675,075</u></u> [2]	<u><u>\$20,186,088</u></u> [2]	<u><u>\$27,470,062</u></u> [2]	<u><u>\$55,367,967</u></u> [2]

[1] Per examine of the Company's financial records.

[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Amount per Company	399,750,002 [1]	\$226,592,216 [1]	\$21,506,983 [1]	\$34,439,229 [1]	\$65,409,475 [1]
2	Adjustment to plant in service for rate year 2	<u>(15,913,567)</u>	<u>(9,898,371)</u>	<u>(593,557)</u>	<u>(6,523,283)</u>	<u>(6,237,675)</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u><u>\$383,836,436</u></u> [2]	<u><u>\$216,693,846</u></u> [2]	<u><u>\$20,913,425</u></u> [2]	<u><u>\$27,915,947</u></u> [2]	<u><u>\$59,171,800</u></u> [2]

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PLANT IN SERVICE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1-RY3

Line No.	Item	<u>Rate Year 3</u>				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Amount per Company	420,192,197 [1]	\$232,897,344 [1]	\$22,695,671 [1]	\$36,700,800 [1]	\$71,187,006 [1]
2	Adjustment to plant in service for rate year 3	<u>(17,373,602)</u>	<u>(10,017,997)</u>	<u>(631,363)</u>	<u>(6,544,256)</u>	<u>(7,687,640)</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u><u>\$402,818,594</u></u> [2]	<u><u>\$222,879,347</u></u> [2]	<u><u>\$22,064,309</u></u> [2]	<u><u>\$30,156,544</u></u> [2]	<u><u>\$63,499,366</u></u> [2]

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1(a)-RY1

Line No.	Item	Rate Year 1					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total [2] (f)
Plant in service							
1	Rate year 1 additions per Public Staff	\$28,670,753 [1]	\$13,592,000 [1]	\$4,931,862 [1]	\$535,203 [1]	\$8,777,260 [1]	\$56,507,078
2	Rate year 1 common asset additions per Public Staff	<u>1,573,301 [1]</u>	<u>441,900 [1]</u>	<u>123,435 [1]</u>	<u>77,198 [1]</u>	<u>342,607 [1]</u>	<u>2,558,441</u>
3	Total Rate Year 1 additions per Public Staff (L1 + L2)	<u>30,244,054</u>	<u>14,033,900</u>	<u>5,055,297</u>	<u>612,401</u>	<u>9,119,867</u>	<u>59,065,519</u>
Accumulated depreciation							
4	Accumulated depreciation for Rate year 1 additions per Public Staff	(935,216) [1]	(412,265) [1]	(106,336) [1]	(16,443) [1]	(219,121) [1]	(1,689,381)
5	Accumulated depreciation for Rate year 1 common asset per Public Staff	<u>(314,660) [1]</u>	<u>(88,380) [1]</u>	<u>(24,687) [1]</u>	<u>(15,440) [1]</u>	<u>(68,521) [1]</u>	<u>(511,688)</u>
6	Total accumulated depreciation for Rate Year 1 additions per Public Staff (L4 + L5)	<u>(1,249,876)</u>	<u>(500,645)</u>	<u>(131,023)</u>	<u>(31,883)</u>	<u>(287,642)</u>	<u>(2,201,069)</u>
Depreciation expense							
7	Depreciation for Rate year 1 additions per Public Staff	935,216 [1]	412,265 [1]	106,336 [1]	16,443 [1]	219,121 [1]	1,689,381
8	Depreciation for Rate year 1 common asset per Public Staff	<u>314,660 [1]</u>	<u>88,380 [1]</u>	<u>24,687 [1]</u>	<u>15,440 [1]</u>	<u>68,521 [1]</u>	<u>511,688</u>
9	Total depreciation for Rate Year 1 additions per Public Staff (L7 + L8)	<u>1,249,876</u>	<u>500,645</u>	<u>131,023</u>	<u>31,883</u>	<u>287,642</u>	<u>2,201,069</u>

[1] Amount provided by the Company in response to Public Staff Data Request
[2] Sum of Columns (a) through (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1(a)-RY2

Line No.	Item	Rate Year 2					
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total (f) [2]
<u>Plant in service</u>							
1	Rate year 2 additions per Public Staff	\$17,765,232 [1]	\$13,697,155 [1]	\$637,502 [1]	\$389,700 [1]	\$3,554,484 [1]	\$36,044,073
2	Rate year 2 common asset additions per Public Staff	<u>1,145,050 [1]</u>	<u>321,616 [1]</u>	<u>89,836 [1]</u>	<u>56,185 [1]</u>	<u>249,349 [1]</u>	<u>1,862,036</u>
3	Total Rate Year 2 additions per Public Staff (L1 + L2)	18,910,282	14,018,771	727,338	445,885	3,803,833	37,906,109
<u>Accumulated depreciation</u>							
4	Updated post test year system additions per Company	(580,209) [1]	(410,195) [1]	(25,452) [1]	(13,007) [1]	(95,201) [1]	(1,124,064)
5	Updated post test year IT additions per Company	<u>(229,010) [1]</u>	<u>(64,323) [1]</u>	<u>(17,967) [1]</u>	<u>(11,237) [1]</u>	<u>(49,870) [1]</u>	<u>(372,407)</u>
6	Total post test year additions per Company updates (L4 + L5)	(809,219)	(474,518)	(43,419)	(24,244)	(145,071)	(1,496,471)
<u>Depreciation expense</u>							
7	Updated post test year system additions per Company	580,209 [1]	410,195 [1]	25,452 [1]	13,007 [1]	95,201 [1]	1,124,064
8	Updated post test year IT additions per Company	<u>229,010 [1]</u>	<u>64,323 [1]</u>	<u>17,967 [1]</u>	<u>11,237 [1]</u>	<u>49,870 [1]</u>	<u>372,407</u>
9	Total post test year additions per Company updates (L7+ L8)	809,219	474,518	43,419	24,244	145,071	1,496,471

[1] Amount provided by the Company in response to Public Staff Data Request

[2] Sum of Columns (a) through (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF ADJUSTMENT TO
POST TEST YEAR ADDITIONS**
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-1(a)-RY3

		Rate Year 3					
Line No.	Item	Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)	Total [2] (f)
Plant in service							
1	Rate year 3 additions per Public Staff	\$17,944,876 [1]	\$5,894,155 [1]	\$1,069,502 [1]	\$2,189,700 [1]	\$4,101,684 [1]	\$31,199,917
2	Rate year 3 common asset additions per Public Staff	<u>1,037,282 [1]</u>	<u>291,346 [1]</u>	<u>81,381 [1]</u>	<u>50,898 [1]</u>	<u>225,882 [1]</u>	<u>1,686,789</u>
3	Total Rate Year 3 additions per Public Staff	18,982,158	6,185,501	1,150,883	2,240,598	4,327,566	32,886,706
Accumulated depreciation							
4	Updated post test year system additions per Company	(507,355) [1]	(205,426) [1]	(30,932) [1]	(62,867) [1]	(104,523) [1]	(911,103)
5	Updated post test year IT additions per Company	<u>(207,457) [1]</u>	<u>(58,269) [1]</u>	<u>(16,276) [1]</u>	<u>(10,179) [1]</u>	<u>(45,176) [1]</u>	<u>(337,358)</u>
6	Total post test year additions per Company updates (L6 + L7)	(714,812)	(263,695)	(47,208)	(73,046)	(149,699)	(1,248,461)
Depreciation expense							
7	Updated post test year system additions per Company	507,355 [1]	205,426 [1]	30,932 [1]	62,867 [1]	104,523 [1]	911,103
8	Updated post test year IT additions per Company	<u>207,457 [1]</u>	<u>58,269 [1]</u>	<u>16,276 [1]</u>	<u>10,179 [1]</u>	<u>45,176 [1]</u>	<u>337,358</u>
9	Total post test year additions per Company updates (L11+ L12)	714,812	263,695	47,208	73,046	149,699	1,248,461

[1] Amount provided by the Company in response to Public Staff Data Request

[2] Sum of Columns (a) through (e).

Agua North Carolina, Inc.
 Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
 For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 2-2

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Adjustment to post test year additions	(\$1,355,734) [1]	(\$1,570,238) [1]	(\$175,203) [1]	(\$535,094) [1]	(\$313,125) [1]
2	Adjustment for vehicle allocations	28,310 [2]	(13,807) [2]	(3,857) [2]	(2,412) [2]	(8,235) [2]
3	Adjustment for WSIC/SSIC in service date	<u>(39,066) [3]</u>	<u>(12,118) [2]</u>	<u>0</u>	<u>0</u>	<u>(4,545) [2]</u>
4	Total Public Staff adjustment (Sum of L1 thru L3)	<u><u>(\$1,366,490)</u></u>	<u><u>(\$1,596,163)</u></u>	<u><u>(\$179,059)</u></u>	<u><u>(\$537,506)</u></u>	<u><u>(\$325,904)</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a), Line 10.
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(c), Line 2.
 [3] Calculated based on adjustments to May 1, 2019 WSIC/SSIC rate application.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2-RY1

Line No.	Item	Rate Year 1				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$107,765,444) [1]	(\$58,209,002) [1]	(\$3,985,624) [1]	(\$4,266,389) [1]	(\$9,959,642) [1]
2	Adjustment to plant in service for rate year 1	<u>(102,889)</u>	<u>(654,512)</u>	<u>97,347</u>	<u>(322,213)</u>	<u>(137,139)</u>
3	Amount per Public Staff for rate year 1 (L1 + L2)	<u><u>(\$107,868,333)</u></u> [2]	<u><u>(\$58,863,513)</u></u> [2]	<u><u>(\$3,888,277)</u></u> [2]	<u><u>(\$4,588,601)</u></u> [2]	<u><u>(\$10,096,781)</u></u> [2]

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2 RY2

Line No.	Item	Rate Year 2				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	(\$118,207,148) [1]	(\$63,408,369) [1]	(\$4,573,705) [1]	(\$5,223,834) [1]	(\$11,609,564) [1]
2	Adjustment to plant in service for rate year 2	<u>852,642</u>	<u>(396,369)</u>	<u>180,140</u>	<u>(117,283)</u>	<u>160,875</u>
3	Amount per Public Staff for rate year 2 (L1 + L2)	<u>(\$117,354,505) [2]</u>	<u>(\$63,804,738) [2]</u>	<u>(\$4,393,565) [2]</u>	<u>(\$5,341,117) [2]</u>	<u>(\$11,448,689) [2]</u>

[1] Per examine of the Company's financial records.
[2] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ACCUMULATED DEPRECIATION
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2- RY3

Line No.	Item	Rate Year 3				
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer	Brookwood Water
		(a)	(b)	(c)	(d)	(e)
1	Amount per Company	(129,476,198) [1]	(\$69,836,787) [1]	(\$5,157,122) [1]	(\$6,028,633) [1]	(\$13,409,748) [1]
2	Adjustment to plant in service for rate year 3	<u>1,928,695</u>	<u>(43,235)</u>	<u>258,120</u>	<u>61,365</u>	<u>517,645</u>
3	Amount per Public Staff for rate year 3 (L1 + L2)	<u><u>(\$127,547,502)</u></u> [2]	<u><u>(\$69,880,022)</u></u> [2]	<u><u>(\$4,899,002)</u></u> [2]	<u><u>(\$5,967,267)</u></u> [2]	<u><u>(\$12,892,103)</u></u> [2]

[1] Per examine of the Company's financial records.

[2] Calculated by the Public Staff based on information provided by the Company.

ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Line No.	Item	Aqua Water		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated depreciaiton amount per Public Staff	(\$100,450,690) [1]	(\$100,450,690) [1]	(\$100,450,690) [1]
2	Base Year accumulated depreciaiton carryforward to rate years	(9,528,219) [1]	(19,056,438) [1]	(28,584,657) [1]
3	Rate year 1 additions accumulated derpecciation	(1,249,876) [1]	(2,499,752) [1]	(3,749,629) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(809,219) [1]	(1,618,438) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(714,812) [1]
6	Rate year 1 retirement	3,360,452 [2]	3,360,452 [2]	3,360,452 [2]
7	Rate year 2 retirement		2,101,142 [2]	2,101,142 [2]
8	Rate year 3 retirement			2,109,129 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$107,868,333)</u>	<u>(\$117,354,505)</u>	<u>(\$127,547,502)</u>

[1] Per Public Staff calculation
[2] Recommended by Public Staff engineer

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ACCUMULATED DEPRECIATION CALCULATION

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1

Schedule 2-2(b)-RY

Line No.	Item	Aqua Sewer		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$54,398,487) [1]	(\$54,398,487) [1]	(\$54,398,487) [1]
2	Base Year accumulated depreciaiton carryforward to rate years	(5,523,704) [1]	(11,047,408) [1]	(16,571,112) [1]
3	Rate year 1 additions accumulated derpecciation	(500,645) [1]	(1,001,290) [1]	(1,501,935) [1]
4	Rate year 2 additions accumulated derpecciation	[1]	(474,518) [1]	(949,036) [1]
5	Rate year 3 additions accumulated derpecciation	[1]	[1]	(263,695) [1]
6	Rate year 1 retirement	1,559,323 [2]	1,559,323 [2]	1,559,323 [2]
7	Rate year 2 retirement		1,557,642 [2]	1,557,642 [2]
8	Rate year 3 retirement			<u>687,279 [2]</u>
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$58,863,513)</u>	<u>(\$63,804,738)</u>	<u>(\$69,880,022)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ACCUMULATED DEPRECIATION CALCULATION

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2(c)-RY

Line No.	Item	Fairway Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$3,907,293) [1]	(\$3,907,293) [1]	(\$3,907,293) [1]
2	Base Year accumulated depreciatoin carryforward to rate years	(411,662) [1]	(823,324) [1]	(1,234,986) [1]
3	Rate year 1 additions accumulated derpeciation	(131,023) [1]	(262,046) [1]	(393,069) [1]
4	Rate year 2 additions accumulated derpeciation	[1]	(43,419) [1]	(86,838) [1]
5	Rate year 3 additions accumulated derpeciation	[1]	[1]	(47,208) [1]
6	Rate year 1 retirement	561,701 [2]	561,701 [2]	561,701 [2]
7	Rate year 2 retirement		80,816 [2]	80,816 [2]
8	Rate year 3 retirement			127,876 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$3,888,277)</u>	<u>(\$4,393,565)</u>	<u>(\$4,899,002)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED DEPRECIATION CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2(d)-RY

Line No.	Item	Fairway Sewer		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$3,878,833) [1]	(\$3,878,833) [1]	(\$3,878,833) [1]
2	Base Year accumulated depreciatoin carryforward to rate years	(745,932) [1]	(1,491,864) [1]	(2,237,796) [1]
3	Rate year 1 additions accumulated derpeciation	(31,883) [1]	(63,765) [1]	(95,648) [1]
4	Rate year 2 additions accumulated derpeciation	[1]	(24,244) [1]	(48,488) [1]
5	Rate year 3 additions accumulated derpeciation	[1]	[1]	(73,046) [1]
6	Rate year 1 retirement	68,046 [2]	68,046 [2]	68,046 [2]
7	Rate year 2 retirement		49,543 [2]	49,543 [2]
8	Rate year 3 retirement			<u>248,955 [2]</u>
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$4,588,601)</u>	<u>(\$5,341,117)</u>	<u>(\$5,967,267)</u>

[1] Per Public Staff calculation
[2] Recommended by Public Staff engineer

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

ACCUMULATED DEPRECIATION CALCULATION

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-2(e)-RY

Line No.	Item	Brookwood Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated depreciatoin amount per Public Staff	(\$9,480,612) [1]	(\$9,480,612) [1]	(\$9,480,612) [1]
2	Base Year accumulated depreciatoin carryforward to rate years	(1,341,845) [1]	(2,683,690) [1]	(4,025,535) [1]
3	Rate year 1 additions accumulated derpeciation	(287,642) [1]	(575,285) [1]	(862,927) [1]
4	Rate year 2 additions accumulated derpeciation	[1]	(145,071) [1]	(290,142) [1]
5	Rate year 3 additions accumulated derpeciation	[1]	[1]	(149,699) [1]
6	Rate year 1 retirement	1,013,318 [2]	1,013,318 [2]	1,013,318 [2]
7	Rate year 2 retirement		422,651 [2]	422,651 [2]
8	Rate year 3 retirement			480,843 [2]
9	Accumulated depreciation per Public Staff for rate year (Sub L1 thru L8)	<u>(\$10,096,781)</u>	<u>(\$11,448,689)</u>	<u>(\$12,892,103)</u>

[1] Per Public Staff calculation

[2] Recommended by Public Staff engineer

Agua North Carolina, Inc.
 Docket No. W-218, Sub 573
**ADJUSTMENT TO CONTRIBUTIONS IN AID OF
 CONSTRUCTION (CIAC), ACCUMULATED
 AMORTIZATION AND AMORTIZATION EXPENSE**
 For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 2-3

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water (a)</u>	<u>Aqua Sewer (b)</u>	<u>Fairways Water (c)</u>	<u>Fairways Sewer (d)</u>	<u>Brookwood Water (e)</u>
	<u>Contributions in aid of construction</u>					
1	Adjustment to include post test year additions	<u>(\$1,370,206) [1]</u>	<u>(749,771) [1]</u>	<u>(\$54,450) [1]</u>	<u>(\$11,000) [1]</u>	<u>(\$9,190) [1]</u>
	<u>Accumulated amortization of CIAC</u>					
2	Adjustment to include post test year additions	<u>(\$612,341) [2]</u>	<u>(\$809,475) [2]</u>	<u>(\$75,866) [2]</u>	<u>(\$70,955) [2]</u>	<u>(\$51,169) [2]</u>
	<u>Amortization expense - CIAC</u>					
3	Adjustment to include post test year additions	<u>(\$59,330) [2]</u>	<u>(\$17,545) [2]</u>	<u>(\$2,358) [2]</u>	<u>(\$257) [2]</u>	<u>(\$398) [2]</u>

[1] Amount provided by the Company in response to Public Staff date request.
 [2] Calculated based on updated CIAC and amortization rates.

ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u>		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$41,677,035 [1]	\$41,677,035 [1]	\$41,677,035 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>2,753,166 [1]</u>	<u>4,832,873 [1]</u>	<u>6,912,580 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u>\$44,430,201</u>	<u>\$46,509,908</u>	<u>\$48,589,615</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-3-RY(b)

<u>Line No.</u>	<u>Item</u>	<u>Aqua Sewer</u>		
		<u>Rate Year 1</u> <u>(a)</u>	<u>Rate Year 2</u> <u>(b)</u>	<u>Rate Year 3</u> <u>(c)</u>
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$38,457,272 [1]	\$38,457,272 [1]	\$38,457,272 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>3,326,169 [1]</u>	<u>5,825,182 [1]</u>	<u>8,324,195 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u>\$41,783,441</u>	<u>\$44,282,454</u>	<u>\$46,781,467</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-3-RY(c)

<u>Line No.</u>	<u>Item</u>	<u>Fairway Water</u>		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$2,931,581 [1]	\$2,931,581 [1]	\$2,931,581 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>315,110 [1]</u>	<u>552,032 [1]</u>	<u>788,954 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u><u>\$3,246,691</u></u>	<u><u>\$3,483,613</u></u>	<u><u>\$3,720,535</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-3-RY(d)

<u>Line No.</u>	<u>Item</u>	Fairway Sewer		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$2,485,968 [1]	\$2,485,968 [1]	\$2,485,968 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>284,993 [1]</u>	<u>498,802 [1]</u>	<u>712,611 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u><u>\$2,770,961</u></u>	<u><u>\$2,984,770</u></u>	<u><u>\$3,198,579</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF CIAC CALCULATION
For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-3-RY(e)

<u>Line No.</u>	<u>Item</u>	<u>Brookwood Water</u>		
		<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
1	Base Year accumulated amortization of CIAC amount per Public Staff	\$5,919,301 [1]	\$5,919,301 [1]	\$5,919,301 [1]
2	Base Year accumulated amortization of CIAC carryforward to rate years	<u>206,222 [1]</u>	<u>360,988 [1]</u>	<u>515,754 [1]</u>
3	Accumulated amortization of CIAC per Public Staff for rate year (L1 + L2)	<u><u>\$6,125,523</u></u>	<u><u>\$6,280,289</u></u>	<u><u>\$6,435,055</u></u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO PLANT ACQUISITION ADJUSTMENT (PAA),
NET ACQUISITION INCENTIVE ADJUSTMENTS (AIA)
AND ACCUMULATED AMORTIZATION OF PAA AND AIA**
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4

Line No.	Item	Base Year				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Plant Acquisition Adjustment (PAA) and AIA per application	\$5,985,304	(\$4,002,509)	\$0	\$0	(\$31,426)
2	Adjustment to remove post test year PAA additions per application	-	-	-	-	-
3	Adjustment for post test year AIA additions through August 31, 2022	23,400	-	-	-	-
4	Adjustment for post test year PAA additions through August 31, 2022	-	-	-	-	-
5	Adjustment to PAA and AIA (Sum of L2 thru L4)	23,400	-	-	-	-
6	Plant Acquisition Adjustment PAA and AIA per Public Staff (L1 + L5)	\$6,008,704	(\$4,002,509)	\$0	\$0	(\$31,426)
7	Accumulated Amortization of PAA and AIA per application	(\$3,182,927)	\$3,357,937	\$0	\$0	\$28,366
8	Adjustment to remove post test year accumulated ammortization of PAA and AIA per application	266,663	(94,932)	-	-	229
9	Adjustment for post test year accumulated amortization of PAA per Public Staff	(125,383)	71,018	-	-	(153)
10	Adjustment for post test year accumulated amortization of AIA per Public Staff	(53,075)	(7,845)	-	-	-
11	Adjustment to accumulated amortization of PAA (Sum of L8 thru L11)	88,205	(31,759)	0	0	76
12	Accumulated Amortization of PAA and AIA per Public Staff (L7 + L12)	(\$3,094,722)	\$3,326,178	\$0	\$0	\$28,442

[1] Calculated by the Public Staff based on information provided by the Company.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4-RY(a)

Line No.	Item	Aqua Water		
		Rate Year 1 (a)	Rate Year 2 (b)	Rate Year 3 (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	(\$3,094,722) [1]	(\$3,094,722) [1]	(\$3,094,722) [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	(357,618) [1]	(626,006) [1]	(894,395) [1]
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>(\$3,452,339)</u>	<u>(\$3,720,728)</u>	<u>(\$3,989,117)</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4-RY(b)

Line No.	Item	Aqua Sewer		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$3,326,178 [1]	\$3,326,178 [1]	\$3,326,178 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	126,346 [1]	221,105 [1]	315,864 [1]
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$3,452,524</u>	<u>\$3,547,283</u>	<u>\$3,642,042</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4-RY(c)

Line No.	Item	Fairway Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$0 [1]	\$0 [1]	\$0 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	0 [1]	0 [1]	0 [1]
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4-RY(d)

Line No.	Item	Fairway Sewer		
		Rate Year 1 (a)	Rate Year 2 (b)	Rate Year 3 (c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$0 [1]	\$0 [1]	\$0 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>0 [1]</u>	<u>0 [1]</u>	<u>0 [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[1] Per Public Staff calculation

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ACCUMULATED AMORTIZATION OF PAA AND AIA CALCULATION
For The Rate Year 1 through Rate Year 3

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-4-RY(e)

Line No.	Item	Brookwood Water		
		Rate Year 1	Rate Year 2	Rate Year 3
		(a)	(b)	(c)
1	Base Year accumulated amortization of PAA and AIA amount per Public Staff	\$28,442 [1]	\$28,442 [1]	\$28,442 [1]
2	Base Year accumulated amortization of PAA and AIA carryforward to rate years	<u>(305) [1]</u>	<u>(534) [1]</u>	<u>(763) [1]</u>
3	Accumulated amortization of PAA and AIA per Public Staff for rate year (L1 + L2)	<u>\$28,137</u>	<u>\$27,908</u>	<u>\$27,679</u>

[1] Per Public Staff calculation

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-5

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>			
		Aqua Water [1]	Aqua Sewer [1]	Fairways Water [1]	Fairways Sewer [1]
		(a)	(b)	(c)	(d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	(2,490,087)	(861,574)	(37,710)	15,000
4	Amount per Company application	(2,745,087)	(966,574)	(48,030)	15,000
5	Adjustment to advances for construction (L5 - L4)	\$255,000	\$105,000	\$10,320	\$0

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-5-RY1

		<u>Rate Year 1</u>			
<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u><u>\$255,000</u></u>	<u><u>\$105,000</u></u>	<u><u>\$10,320</u></u>	<u><u>\$0</u></u>

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-5-RY2

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 2</u>			
		Aqua Water	Aqua Sewer	Fairways Water	Fairways Sewer
		(a)	(b)	(c)	(d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
ADJUSTMENT TO ADVANCES FOR CONSTRUCTION
 For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 2-5-RY3

		<u>Rate Year 3</u>			
<u>Line No.</u>	<u>Item</u>	Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)
1	#252050 - CAC-WIP Non Cash	(\$2,490,087)	(\$861,574)	(\$37,710)	\$15,000
2	#252080 - CAC-WIP Cash	0	0	0	0
3	Advances for construction per Public Staff (L1 + L2)	<u>(2,490,087)</u>	<u>(861,574)</u>	<u>(37,710)</u>	<u>15,000</u>
4	Amount per Company application	<u>(2,745,087)</u>	<u>(966,574)</u>	<u>(48,030)</u>	<u>15,000</u>
5	Adjustment to advances for construction (L3 - L4)	<u>\$255,000</u>	<u>\$105,000</u>	<u>\$10,320</u>	<u>\$0</u>

[1] Amount provided by Company in response to Public Staff data request.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-6

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	(218,900) [1]	(4,938) [1]	(4,431) [1]	(92) [1]	(52,257) [1]
2	Adjustment to customer deposit through August 31, 2022	(198,965) [1]	(4,502) [1]	(4,141) [1]	(97) [1]	(45,332) [1]
3	Adjustment to Customer Deposits per Public Staff	<u>19,935</u>	<u>\$436</u>	<u>\$290</u>	<u>(\$5)</u>	<u>\$6,925</u>

[1] Per examination of Company's financial records.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-6-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	(\$218,900) [1]	(\$4,938) [1]	(\$4,431) [1]	(\$92) [1]	(\$52,257) [1]
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	<u>(\$62,544)</u>	<u>(\$2,190)</u>	<u>(\$1,500)</u>	<u>\$0</u>	<u>(\$12,504)</u>

[1] Per examination of Company's financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-6-RY2

		<u>Rate Year 2</u>				
<u>Line No.</u>	<u>Item</u>	<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	<u>\$0 [1]</u>	<u>\$0 [1]</u>	<u>\$0 [1]</u>	<u>\$0 [1]</u>	<u>\$0 [1]</u>
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	<u><u>(\$281,444)</u></u>	<u><u>(\$7,128)</u></u>	<u><u>(\$5,931)</u></u>	<u><u>(\$92)</u></u>	<u><u>(\$64,761)</u></u>

[1] Per examination of Company's financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CUSTOMER DEPOSITS
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-6-RY3

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 3</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	<u>\$1,227,155</u> [1]	<u>\$0</u> [1]	<u>\$132,720</u> [1]	<u>\$0</u> [1]	<u>\$0</u> [1]
2	Adjustment to customer deposit through August 31, 2022	(\$281,444) [1]	(\$7,128) [1]	(\$5,931) [1]	(\$92) [1]	(\$64,761) [1]
3	Adjustment to Customer Deposits per Public Staff (L2-L1)	<u><u>(\$1,508,599)</u></u>	<u><u>(\$7,128)</u></u>	<u><u>(\$138,651)</u></u>	<u><u>(\$92)</u></u>	<u><u>(\$64,761)</u></u>

[1] Per examination of Company's financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-7

<u>Line No.</u>	<u>Item</u>	Base Year				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Material and supplies inventory per Company application	\$2,951,946 [1]	\$449,831 [1]	\$28,284 [1]	\$8,739 [1]	\$109,943 [1]
2	Adjustment to materials and supplies inventory through August 31, 2022	\$2,864,854 [1]	\$436,560 [1]	\$27,450 [1]	\$8,481 [1]	\$106,699 [1]
3	Adjustment to materials and supplies inventory per Public Staff	(87,092)	(13,271)	(834)	(258)	(3,244)

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-7-RY1

Line No.	Item	<u>Rate Year 1</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Inventory per Company	\$3,041,685	\$463,506	\$29,144	\$9,004	113,285
2	Adjustment to update inventory to 8.31.2022	<u>(176,831)</u>	<u>(26,946)</u>	<u>(1,694)</u>	<u>(523)</u>	<u>(6,586)</u>
3	Inventory per Public Staff (L1 + L2)	<u>\$2,864,854</u>	<u>\$436,560</u>	<u>\$27,450</u>	<u>\$8,481</u>	<u>\$106,699</u>

[1] Per examination of Company's financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-7-RY2

Line No.	Item	<u>Rate Year 2</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Inventory per Company	\$3,134,152	\$477,597	\$30,030	\$9,278	116,729
2	Adjustment to update inventory to 8.31.2022	<u>(269,298)</u>	<u>(41,037)</u>	<u>(2,580)</u>	<u>(797)</u>	<u>(10,030)</u>
3	Inventory per Public Staff (L1 + L2)	<u>\$2,864,854</u>	<u>\$436,560</u>	<u>\$27,450</u>	<u>\$8,481</u>	<u>106,699</u>

[1] Per examination of Company's financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MATERIALS AND SUPPLIES INVENTORY
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-7-RY3

Line No.	Item	Rate Year 3				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Inventory per Company	\$3,229,430	\$492,116	\$30,943	\$9,560	120,277
2	Adjustment to update inventory to 8.31.2022	<u>(364,576)</u>	<u>(55,556)</u>	<u>(3,493)</u>	<u>(1,079)</u>	<u>(13,579)</u>
3	Inventory per Public Staff (L1 + L2)	<u>\$2,864,854</u>	<u>\$436,560</u>	<u>\$27,450</u>	<u>\$8,481</u>	<u>106,699</u>

[1] Per examination of Company's financial records.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO WORKING CAPITAL
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 2-8

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Total O&M expenses excluding purchased water and sewer treatment	<u>\$19,229,705</u> [1]	<u>\$8,974,904</u> [1]	<u>\$934,787</u> [1]	<u>\$954,388</u> [1]	<u>\$3,204,662</u> [1]
2	Cash working capital (L1 / 8)	<u>2,403,713</u>	<u>1,121,863</u>	<u>116,848</u>	<u>119,299</u>	<u>400,583</u>
	<u>Prepayments:</u>					
3	Unamortized tank painting	1,992,735 [2]	0	18,511 [2]	0	176,527 [2]
4	Unamortized rate case expense	71,155 [2]	20,968 [2]	5,554 [2]	3,449 [2]	15,383 [2]
5	Unamortized depreciation study	7,073 [2]	1,771 [2]	506 [2]	322 [2]	1,587 [2]
6	Unamortized repair tax credit	<u>53,992</u> [2]	<u>17,272</u> [2]	<u>1,360</u> [2]	<u>1,496</u> [2]	<u>8,568</u> [2]
7	Total prepayments (Sum of L3 thru L6)	<u>2,124,955</u>	<u>40,011</u>	<u>25,931</u>	<u>5,267</u>	<u>202,065</u>
	<u>Average tax accruals:</u>					
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(12,048) [4]	(5,183) [4]	(396) [4]	(631) [4]	(1,897) [4]
10	Property tax	<u>(293,020)</u> [5]	<u>(7,703)</u> [5]	<u>(15,239)</u> [5]	<u>(1,317)</u> [5]	<u>(53,388)</u> [5]
11	Total tax accruals (Sum of L8 thru L10)	<u>(307,924)</u>	<u>(13,819)</u>	<u>(15,657)</u>	<u>(1,990)</u>	<u>(55,356)</u>
12	Working capital per Public Staff (L2 + L7 + L11)	4,220,744	1,148,055	127,122	122,576	547,292
13	Amount per application	<u>4,533,901</u>	<u>1,227,155</u>	<u>143,987</u>	<u>132,720</u>	<u>588,800</u>
14	Adjustment to working capital (L12 - L13)	<u>(\$313,157)</u>	<u>(\$79,100)</u>	<u>(\$16,865)</u>	<u>(\$10,144)</u>	<u>(\$41,508)</u>

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.

[2] Based on examine of information provided by Company, updated through August 2022.

[3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.

[4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5

[5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided 2.

Aqua North Carolina, Inc.
 Docket No. W-218 Sub 573
ADJUSTMENT TO WORKING CAPITAL
 For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSP Exhibit 1
 Schedule 2-6 RY1

Line No.	Item	Rate Year 1				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Total O&M expenses excluding purchased water and sewer treatment	\$10,562,346 [1]	\$9,168,032 [1]	\$942,981 [1]	\$964,095 [1]	\$3,248,799 [1]
2	Cash working capital (L1-F)	2,445,418	1,146,004	117,889	120,912	409,089
3	Provisions:					
4	Unamortized tank painting	1,682,427 [2]	0 [2]	14,779 [2]	0 [2]	142,796 [2]
5	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
7	Unamortized repair tax credit	49,228 [7]	15,748 [7]	1,249 [7]	1,364 [7]	7,812 [7]
7	Total provisions (Sum of L3 thru L6)	1,731,655	15,748	16,028	1,364	150,608
8	Average tax accruals:					
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,086) [4]	(5,959) [4]	(555) [4]	(1,011) [4]	(2,386) [4]
10	Property tax	(12,720) [5]	(8,220) [5]	(16,464) [5]	(1,852) [5]	(60,918) [5]
11	Total tax accruals (Sum of L8 thru L10)	(329,662)	(15,112)	(16,841)	(2,899)	(63,353)
12	Working capital per Public Staff (L2 + L7 + L11)	3,847,431	1,146,604	117,838	119,417	6,657
13	Amount per application	6,633,898	1,366,697	179,997	199,991	676,746
14	Adjustment to working capital (L12 - L13)	(\$72,252)	(\$209,943)	(\$53,317)	(\$33,174)	(\$643,381)

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
 [2] Based on examine of information provided by Company updated through August 2022.
 [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
 [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5.
 [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 2.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub D73
ADJUSTMENT TO WORKING CAPITAL
 For The Rate Year 2 Ended December 31, 2024

Public Staff Second Connected WSP Exhibit 1
 Schedule 2.4-RY2

Line No.	Item	Rate Year 2				
		Aqua Water (4)	Aqua Sewer (5)	Fairways Water (3)	Fairways Sewer (6)	Brookwood Water (7)
1	Total O&M expenses excluding purchased water and sewer treatment	\$20,129,531 [1]	\$9,432,048 [1]	\$970,456 [1]	\$999,634 [1]	\$3,344,400 [1]
2	Cash working capital (L1 / 8)	2,516,191	1,179,006	121,307	124,073	418,051
Prepayments:						
3	Unamortized tank painting	1,372,119 [2]	0 [2]	11,047 [2]	0 [2]	109,063 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	41,660 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credits	14,224 [2]	1,226 [2]	1,120 [2]	1,322 [2]	7,296 [2]
7	Total prepayments (Sum of L3 thru L6)	1,418,583	14,226	12,167	1,322	116,119
Average tax accruals:						
8	Unemployment tax	(2,856) [3]	(933) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(14,689) [4]	(6,230) [4]	(919) [4]	(1,052) [4]	(2,554) [4]
10	Property tax	(323,922) [5]	(8,422) [5]	(18,502) [5]	(11,452) [5]	(39,861) [5]
11	Total tax accruals (Sum of L8 thru L10)	(349,067)	(15,685)	(17,643)	(12,504)	(42,486)
12	Working capital per Public Staff (L2 + L7 + L11)	3,592,167	1,177,570	116,031	122,765	472,684
13	Amount per application	6,986,553	1,307,205	147,188	141,792	550,924
14	Adjustment to working capital (L12 - L13)	(\$491,387)	(\$129,635)	(\$31,157)	(\$18,987)	(\$78,241)

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
 [2] Based on expense information provided by Company, updated through August 2022.
 [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
 [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5.
 [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 2.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub D73
ADJUSTMENT TO WORKING CAPITAL
 For The Rate Year 3 Ended December 31, 2025

Public Staff Second Connected WSP Exhibit 1
 Schedule 2.4-RY3

Line No.	Item	Rate Year 3				
		Aqua Water (4)	Aqua Sewer (5)	Fairways Water (3)	Fairways Sewer (6)	Brookwood Water (4)
1	Total O&M expenses excluding purchased water and sewer treatment	\$20,712,586 [1]	\$9,474,781 [1]	\$998,883 [1]	\$1,022,031 [1]	\$3,442,988 [1]
2	Cash working capital (L1 / 8)	2,589,072	1,196,849	124,858	177,754	490,372
Prepayments:						
3	Unamortized tank painting	1,061,811 [2]	0 [2]	7,315 [2]	0 [2]	75,331 [2]
4	Unamortized rate case expense	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
5	Unamortized depreciation study	0 [2]	0 [2]	0 [2]	0 [2]	0 [2]
6	Unamortized repair tax credits	38,700 [2]	12,700 [2]	1,000 [2]	1,100 [2]	6,300 [2]
7	Total prepayments (Sum of L3 thru L6)	1,100,511	12,700	8,315	1,100	81,631
Average tax accruals:						
8	Unemployment tax	(2,856) [3]	(833) [3]	(22) [3]	(42) [3]	(71) [3]
9	Regulatory fee	(15,414) [4]	(6,540) [4]	(650) [4]	(1,065) [4]	(2,677) [4]
10	Property tax	(333,548) [5]	(8,773) [5]	(17,398) [5]	(1,859) [5]	(60,828) [5]
11	Total tax accruals (Sum of L8 thru L10)	(351,818)	(15,146)	(18,670)	(2,966)	(63,576)
12	Working capital per Public Staff (L2 + L7 + L11)	3,338,569	1,193,297	115,143	126,247	448,447
13	Amount per application	3,550,854	1,208,846	124,161	131,003	466,484
14	Adjustment to working capital (L12 - L13)	(\$217,285)	(\$95,649)	(\$9,018)	(\$4,756)	(\$17,037)

[1] Public Staff recommended O&M expenses, minus purchase water and purchase sewer expenses.
 [2] Based on examine of information provided by Company, updated through August 2022.
 [3] Calculated by Public Staff based on adjusted level of unemployment tax rates divided by 5.
 [4] Amount of regulatory fees under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 5.
 [5] Amount of property taxes under present rates per Public Staff from Column (c) of Net Operating Income for Return schedule divided by 2.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
AQUA WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(a)
Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Public Staff Recommended Rates		Operations After Rate [29]	Operations After Rate [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]	Operations After Rate Increase [30]		
1	Operating Revenues:									
1	Service revenues	\$41,727,242	\$638,038	\$42,365,280 [18]	\$7,229,320	\$49,594,600 [18]	\$496,118	\$42,861,398 [31]		
2	Late payment fees	69,178	1,059	70,237 [19]	11,986	82,223 [19]	823	71,060 [19]		
3	Miscellaneous revenues	752,131	29,358	781,488 [18]	0	781,488	0	781,488		
4	Uncollectibles	(357,571)	167,808	(189,763) [20]	(32,382)	(222,145) [20]	(2,222)	(191,985) [20]		
5	Total operating revenues	<u>42,190,980</u>	<u>836,262</u>	<u>43,027,242</u>	<u>7,208,924</u>	<u>50,236,166</u>	<u>494,719</u>	<u>43,521,961</u>		
6	Operating Revenue Deductions:									
6	Salaries and wages	8,261,575	(1,120,698) [2]	7,140,877	0	7,140,877	0	7,140,877		
7	Employee pensions and benefits	2,880,426	(812,613) [2]	2,067,813	0	2,067,813	0	2,067,813		
8	Purchased water	2,679,188	(167,914) [3]	2,511,274	0	2,511,274	0	2,511,274		
9	Purchased power	2,426,141	9,339 [3]	2,435,480	0	2,435,480	0	2,435,480		
10	Fuel for power production	1,754	(1,150) [4]	604	0	604	0	604		
11	Chemicals	489,754	296,827 [5]	786,581	0	786,581	0	786,581		
12	Materials and supplies	491,362	(14,499) [6]	476,863	0	476,863	0	476,863		
13	Testing fees	714,295	(21,074) [7]	693,221	0	693,221	0	693,221		
14	Transportation	1,455,375	(359,100) [4]	1,096,275	0	1,096,275	0	1,096,275		
15	Contractual services - engineering	417	(12) [8]	405	0	405	0	405		
16	Contractual services - accounting	147,827	(29,528) [9]	118,299	0	118,299	0	118,299		
17	Contractual services - legal	175,759	(11,884) [10]	163,875	0	163,875	0	163,875		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	2,368,777	(69,884) [11]	2,298,893	0	2,298,893	0	2,298,893		
20	Rent	263,096	(7,762) [12]	255,334	0	255,334	0	255,334		
21	Insurance	964,057	(275,536) [2]	688,521	0	688,521	0	688,521		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	381,034	(14,376) [2]	366,658 [21]	0	366,658	0	366,658		
24	Miscellaneous expense	1,035,753	(30,553) [2]	1,005,200	0	1,005,200	0	1,005,200		
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080		
26	Annualization & consumption adjustments	(73,159)	73,159 [13]	0	0	0	0	0		
27	Non-recurring COVID expenses	0	(76,993) [14]	(76,993)	0	(76,993)	0	(76,993)		
28	Contra-OH Allocations	(1,633,450)	1,326,170 [15]	(307,280)	0	(307,280)	0	(307,280)		
29	Total O&M and G&A expense	23,049,061	(1,308,082)	21,740,979	0	21,740,979	0	21,740,979		
30	Depreciation and amortization expense	8,480,202	(984,799) [16]	7,495,403	0	7,495,403	0	7,495,403		
31	Property taxes	586,039	0	586,039	0	586,039	0	586,039		
32	Payroll taxes	742,787	(228,644) [2]	514,143	0	514,143	0	514,143		
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357		
34	Benefit costs - Pension	(17,445)	0	(17,445)	0	(17,445)	0	(17,445)		
35	Regulatory fee	54,246	5,992	60,238 [22]	10,093	70,331 [22]	693	60,931 [22]		
36	Deferred income tax	0	(74,576)	(74,576)	0	(74,576)	0	(74,576)		
37	State income tax	314,211	(81,903)	232,308 [23]	179,970	412,278 [27]	12,350	244,658 [32]		
38	Federal income tax	2,573,388	(670,788)	1,902,600 [24]	1,473,960	3,376,560 [28]	101,152	2,003,752 [33]		
39	Total operating revenue deductions	<u>35,956,845</u>	<u>(3,342,800)</u>	<u>32,614,045</u>	<u>1,664,023</u>	<u>34,278,068</u>	<u>114,195</u>	<u>32,728,240</u>		
40	Net operating income for return	<u>\$6,234,135</u>	<u>\$4,179,062</u>	<u>\$10,413,197</u>	<u>\$5,544,901</u>	<u>\$15,958,098</u>	<u>\$380,524</u>	<u>\$10,793,721</u>		

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
 For The Test Year Ended December 31, 2021
AQUA SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3(b)
 Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Recommended Rates		Amount Per Public Staff [29]	Operations After Rate Increase [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Company Increase [25]	Operations After Rate Increase [26]	Net Public Staff Increase [29]	Operations After Rate Increase [30]		
1	Operating Revenues:									
1	Service revenues	\$18,397,181	\$131,140	\$18,528,321 [18]	\$2,907,047	\$21,435,368 [18]	(\$117,360)	\$18,410,961 [31]		
2	Late payment fees	20,488	147	20,635 [19]	3,238	23,873 [19]	(131)	20,504 [19]		
3	Miscellaneous revenues	22,331	0	22,331	0	22,331	0	22,331		
4	Uncollectibles	(61,113)	(505)	(61,618) [20]	(9,667)	(71,285) [20]	391	(61,227) [20]		
5	Total operating revenues	18,378,887	130,782	18,509,669	2,900,618	21,410,287	(117,100)	18,392,569		
6	Operating Revenue Deductions:									
6	Salaries and wages	2,640,569	(308,706) [2]	2,331,863	0	2,331,863	0	2,331,863		
7	Employee pensions and benefits	848,387	(167,958) [2]	680,429	0	680,429	0	680,429		
8	Purchased sewer treatment	896,578	(161,774) [3]	734,804	0	734,804	0	734,804		
9	Sludge removal	667,903	(13,069) [3]	654,834	0	654,834	0	654,834		
10	Purchased power	1,115,877	22,958 [3]	1,138,835	0	1,138,835	0	1,138,835		
11	Fuel for power production	40,855	(13,947) [4]	26,908	0	26,908	0	26,908		
12	Chemicals	613,724	328,266 [5]	941,990	0	941,990	0	941,990		
13	Materials and supplies	132,819	(3,919) [6]	128,900	0	128,900	0	128,900		
14	Testing fees	233,369	(6,886) [7]	226,483	0	226,483	0	226,483		
15	Transportation	424,078	(106,575) [4]	317,503	0	317,503	0	317,503		
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
17	Contractual services - accounting	41,009	(8,277) [9]	32,732	0	32,732	0	32,732		
18	Contractual services - legal	121,434	(5,244) [10]	116,190	0	116,190	0	116,190		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	1,822,192	(53,763) [11]	1,768,429	0	1,768,429	0	1,768,429		
21	Rent	58,848	(1,737) [12]	57,111	0	57,111	0	57,111		
22	Insurance	278,916	(76,024) [2]	202,892	0	202,892	0	202,892		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	100,611	7,435	108,046 [21]	0	108,046	0	108,046		
25	Miscellaneous expense	341,787	(10,084) [2]	331,703	0	331,703	0	331,703		
26	Interest on customer deposits	419	0	419	0	419	0	419		
27	Annualization & consumption adjustments	69,624	(69,624) [13]	0	0	0	0	0		
28	Non-recurring COVID expenses	0	(17,741) [14]	(17,741)	0	(17,741)	0	(17,741)		
29	Contra-OH Allocations	(283,235)	210,613 [15]	(72,622)	0	(72,622)	0	(72,622)		
30	Total O&M and G&A expense	10,165,764	(456,056)	9,709,708	0	9,709,708	0	9,709,708		
31	Depreciation and amortization expense	3,176,269	(371,033) [16]	2,805,236	0	2,805,236	0	2,805,236		
32	Property taxes	15,405	0	15,405	0	15,405	0	15,405		
33	Payroll taxes	220,186	(49,960) [2]	170,226	0	170,226	0	170,226		
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289		
35	Benefit costs - Pension	(4,819)	0	(4,819)	0	(4,819)	0	(4,819)		
36	Regulatory fee	27,709	(1,795)	25,914 [22]	4,060	29,974 [22]	(164)	25,750 [22]		
37	Deferred income tax	0	(20,946)	(20,946)	0	(20,946)	0	(20,946)		
38	State income tax	145,994	(36,896)	109,098 [23]	72,414	181,512 [27]	(2,923)	106,175 [32]		
39	Federal income tax	1,195,693	(302,180)	893,513 [24]	593,070	1,486,583 [28]	(23,943)	869,570 [33]		
40	Total operating revenue deductions	14,990,491	(1,238,866)	13,751,624	669,544	14,421,168	(27,030)	13,724,594		
41	Net operating income for return	\$3,388,396	\$1,369,648	\$4,758,044	\$2,231,074	\$6,989,118	(\$90,070)	\$4,667,974		

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
FAIRWAYS WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(c)
Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Public Staff Recommended Rates		Operations After Rate [26]	Operations After Rate [30]
		Amount Per Application [a]	Public Staff Adjustments [1]		Net Company Increase [25]	Public Staff Increase [29]				
1	Operating Revenues:									
1	Service revenues	\$1,343,704	(\$24,470)	\$1,319,234 [18]	\$567,551	\$1,886,785 [18]	\$101,306	\$1,420,540 [31]		
2	Late payment fees	2,228	(41)	2,187 [19]	941	3,128 [19]	168	2,355 [19]		
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955		
4	Uncollectibles	(6,236)	327	(5,909) [20]	(2,542)	(8,451) [20]	(454)	(6,363) [20]		
5	Total operating revenues	1,439,651	(24,184)	1,415,467	565,950	1,981,417	101,020	1,516,487		
6	Operating Revenue Deductions:									
6	Salaries and wages	344,194	(44,677) [2]	299,517	0	299,517	0	299,517		
7	Employee pensions and benefits	109,950	(24,308) [2]	85,642	0	85,642	0	85,642		
8	Purchased water	329	(329) [3]	0	0	0	0	0		
9	Purchased power	92,920	(3,760) [3]	89,160	0	89,160	0	89,160		
10	Fuel for power production	0	951 [4]	951	0	951	0	951		
11	Chemicals	29,896	25,018 [5]	54,914	0	54,914	0	54,914		
12	Materials and supplies	18,177	(537) [6]	17,640	0	17,640	0	17,640		
13	Testing fees	21,985	(649) [7]	21,336	0	21,336	0	21,336		
14	Transportation	46,879	(11,436) [4]	35,443	0	35,443	0	35,443		
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
16	Contractual services - accounting	11,479	(2,311) [9]	9,168	0	9,168	0	9,168		
17	Contractual services - legal	13,257	(2,354) [10]	10,903	0	10,903	0	10,903		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	175,369	(5,172) [11]	170,197	0	170,197	0	170,197		
20	Rent	18,925	(558) [12]	18,367	0	18,367	0	18,367		
21	Insurance	50,511	3,236 [2]	53,747	0	53,747	0	53,747		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	29,079	(457)	28,622 [21]	0	28,622	0	28,622		
24	Miscellaneous expense	52,737	(1,554) [2]	51,183	0	51,183	0	51,183		
25	Interest on customer deposits	395	0	395	0	395	0	395		
26	Annualization & consumption adjustments	(2,736)	2,736 [13]	0	0	0	0	0		
27	Non-recurring COVID expenses	0	(4,203) [14]	(4,203)	0	(4,203)	0	(4,203)		
28	Contra-OH Allocations	(43,937)	35,743 [15]	(8,194)	0	(8,194)	0	(8,194)		
29	Total O&M and G&A expense	969,409	(34,622)	934,787	0	934,787	0	934,787		
30	Depreciation and amortization expense	229,011	(85,391) [16]	143,620	0	143,620	0	143,620		
31	Property taxes	30,479	0	30,479	0	30,479	0	30,479		
32	Payroll taxes	28,302	(6,926) [2]	21,376	0	21,376	0	21,376		
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519		
34	Benefit costs - Pension	(1,351)	0	(1,351)	0	(1,351)	0	(1,351)		
35	Regulatory fee	1,747	235	1,982 [22]	792	2,774 [22]	141	2,123 [22]		
36	Deferred income tax	0	(5,851)	(5,851)	0	(5,851)	0	(5,851)		
37	State income tax	14,795	(10,329)	4,466 [23]	14,129	18,595 [27]	2,522	6,988 [32]		
38	Federal income tax	121,172	(84,596)	36,576 [24]	115,716	152,292 [28]	20,655	57,231 [33]		
39	Total operating revenue deductions	1,407,083	(227,480)	1,179,603	130,637	1,310,240	23,318	1,202,921		
40	Net operating income for return	\$32,568	\$203,296	\$235,864	\$435,313	\$671,177	\$77,702	\$313,566		

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
FAIRWAYS SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(d)
Page 1 of 2

Line No.	Item	Base Year		Base Year			Base Year	
		Present Rates		Company Proposed Rates			Public Staff Recommended Rates	
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Amount Per Public Staff [17] (c)	Net Company Increase [25] (d)	Operations After Rate Increase [26] (e)	Net Public Staff Increase [29] (f)	Operations After Rate Increase [30] (g)
Operating Revenues:								
1	Service revenues	\$2,284,643	(\$24,577)	\$2,260,066 [18]	\$1,356,827	\$3,616,893 [18]	\$515,816	\$2,775,882 [31]
2	Late payment fees	2,544	(27)	2,517 [19]	1,511	4,028 [19]	574	3,091 [19]
3	Miscellaneous revenues	40	0	40	0	40	0	40
4	Uncollectibles	(7,589)	73	(7,516) [20]	(4,512)	(12,028) [20]	(1,715)	(9,231) [20]
5	Total operating revenues	2,279,638	(24,531)	2,255,107	1,353,826	3,608,933	514,675	2,769,782
Operating Revenue Deductions:								
6	Salaries and wages	239,315	(30,920) [2]	208,395	0	208,395	0	208,395
7	Employee pensions and benefits	80,725	(19,926) [2]	60,799	0	60,799	0	60,799
8	Purchased sewer treatment	8,920	(1,242) [3]	7,678	0	7,678	0	7,678
9	Sludge removal	172,329	14,818 [3]	187,147	0	187,147	0	187,147
10	Purchased power	121,678	1,724 [3]	123,402	0	123,402	0	123,402
11	Fuel for power production	0	353 [4]	353	0	353	0	353
12	Chemicals	36,972	20,137 [5]	57,109	0	57,109	0	57,109
13	Materials and supplies	16,823	(496) [6]	16,327	0	16,327	0	16,327
14	Testing fees	13,165	(389) [7]	12,776	0	12,776	0	12,776
15	Transportation	35,742	(8,853) [4]	26,889	0	26,889	0	26,889
16	Contractual services - engineering	0	0 [8]	0	0	0	0	0
17	Contractual services - accounting	7,181	(1,449) [9]	5,732	0	5,732	0	5,732
18	Contractual services - legal	8,601	(1,058) [10]	7,543	0	7,543	0	7,543
19	Contractual services - management fees	0	0	0	0	0	0	0
20	Contractual services - other	161,338	(4,760) [11]	156,578	0	156,578	0	156,578
21	Rent	11,842	(350) [12]	11,492	0	11,492	0	11,492
22	Insurance	34,212	(833) [2]	33,379	0	33,379	0	33,379
23	Advertising	0	0	0	0	0	0	0
24	Regulatory commission expense	18,527	(752)	17,775 [21]	0	17,775	0	17,775
25	Miscellaneous expense	42,818	(1,261) [2]	41,557	0	41,557	0	41,557
26	Interest on customer deposits	7	0	7	0	7	0	7
27	Annualization & consumption adjustments	7,582	(7,582) [13]	0	0	0	0	0
28	Non-recurring COVID expenses	0	(2,621) [14]	(2,621)	0	(2,621)	0	(2,621)
29	Contra-OH Allocations	(36,850)	26,598 [15]	(10,252)	0	(10,252)	0	(10,252)
30	Total O&M and G&A expense	980,927	(18,861)	962,066	0	962,066	0	962,066
31	Depreciation and amortization expense	639,423	(134,520) [16]	504,903	0	504,903	0	504,903
32	Property taxes	2,634	0	2,634	0	2,634	0	2,634
33	Payroll taxes	21,216	(6,212) [2]	15,004	0	15,004	0	15,004
34	Other taxes	8,461	0	8,461	0	8,461	0	8,461
35	Benefit costs - Pension	(846)	0	(846)	0	(846)	0	(846)
36	Regulatory fee	4,758	(1,601)	3,157 [22]	1,896	5,053 [22]	721	3,878 [22]
37	Deferred income tax	0	(3,659)	(3,659)	0	(3,659)	0	(3,659)
38	State income tax	38,314	(27,103)	11,211 [23]	33,798	45,009 [27]	12,848	24,059 [32]
39	Federal income tax	313,791	(221,976)	91,815 [24]	276,808	368,623 [28]	105,232	197,047 [33]
40	Total operating revenue deductions	2,008,677	(413,931)	1,594,746	312,502	1,907,248	118,801	1,713,547
41	Net operating income for return	\$270,961	\$389,399	\$660,361	\$1,041,324	\$1,701,685	\$395,874	\$1,056,235

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Test Year Ended December 31, 2021
BROOKWOOD WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(e)
Page 1 of 2

Line No.	Item	Base Year			Base Year			Base Year		
		Present Rates		Amount Per Public Staff [17]	Company Proposed Rates		Public Staff Recommended Rates		Operations After Rate [26]	Operations After Rate [30]
		Amount Per Application (a)	Public Staff Adjustments [1] (b)		Net Company Increase [25] (d)	Public Staff Increase [29] (f)				
1	Operating Revenues:									
1	Service revenues	\$6,538,856	(\$27,779)	\$6,511,077 [18]	\$1,701,220	\$8,212,297 [18]	\$687,326	\$7,198,403 [31]		
2	Late payment fees	23,214	(98)	23,116 [19]	6,039	29,155 [19]	2,440	25,556 [19]		
3	Miscellaneous revenues	361,152	0	361,152	0	361,152	0	361,152		
4	Uncollectibles	(121,910)	87	(121,823) [20]	(31,830)	(153,653) [20]	(12,860)	(134,683) [20]		
5	Total operating revenues	<u>6,801,312</u>	<u>(27,790)</u>	<u>6,773,522</u>	<u>1,675,429</u>	<u>8,448,951</u>	<u>676,906</u>	<u>7,450,428</u>		
6	Operating Revenue Deductions:									
6	Salaries and wages	904,084	(113,355) [2]	790,729	0	790,729	0	790,729		
7	Employee pensions and benefits	289,258	(61,004) [2]	228,254	0	228,254	0	228,254		
8	Purchased water	312,747	(1,005) [3]	311,742	0	311,742	0	311,742		
9	Purchased power	281,414	(9,859) [3]	271,555	0	271,555	0	271,555		
10	Fuel for power production	1,348	(833) [4]	515	0	515	0	515		
11	Chemicals	308,600	160,446 [5]	469,046	0	469,046	0	469,046		
12	Materials and supplies	28,651	(3,987) [6]	24,664	0	24,664	0	24,664		
13	Testing fees	70,146	(2,069) [7]	68,077	0	68,077	0	68,077		
14	Transportation	128,620	(28,987) [4]	99,633	0	99,633	0	99,633		
15	Contractual services - engineering	0	0 [8]	0	0	0	0	0		
16	Contractual services - accounting	32,608	(6,442) [9]	26,166	0	26,166	0	26,166		
17	Contractual services - legal	37,934	(9,475) [10]	28,459	0	28,459	0	28,459		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	840,927	(24,812) [11]	816,115	0	816,115	0	816,115		
20	Rent	30,744	(907) [12]	29,837	0	29,837	0	29,837		
21	Insurance	137,873	10,981 [2]	148,854	0	148,854	0	148,854		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	84,231	(4,962) [9]	79,269 [21]	0	79,269	0	79,269		
24	Miscellaneous expense	158,425	(4,675) [2]	153,750	0	153,750	0	153,750		
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919		
26	Annualization & consumption adjustments	(6,053)	6,053 [13]	0	0	0	0	0		
27	Non-recurring COVID expenses	0	(14,526) [14]	(14,526)	0	(14,526)	0	(14,526)		
28	Contra-OH Allocations	(108,414)	87,758 [15]	(20,656)	0	(20,656)	0	(20,656)		
29	Total O&M and G&A expense	3,538,062	(21,658)	3,516,404	0	3,516,404	0	3,516,404		
30	Depreciation and amortization expense	1,322,013	(200,181) [16]	1,121,832	0	1,121,832	0	1,121,832		
31	Property taxes	106,775	0	106,775	0	106,775	0	106,775		
32	Payroll taxes	74,191	(18,484) [2]	55,707	0	55,707	0	55,707		
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482		
34	Benefit costs - Pension	(3,853)	0	(3,853)	0	(3,853)	0	(3,853)		
35	Regulatory fee	10,845	(1,362)	9,483 [22]	2,346	11,829 [22]	948	10,431 [22]		
36	Deferred income tax	0	(16,240)	(16,240)	0	(16,240)	0	(16,240)		
37	State income tax	62,407	(30,174)	32,233 [23]	41,827	74,060 [27]	16,899	49,132 [32]		
38	Federal income tax	511,116	(247,128)	263,988 [24]	342,563	606,551 [28]	138,402	402,390 [33]		
39	Total operating revenue deductions	<u>5,660,039</u>	<u>(535,229)</u>	<u>5,124,810</u>	<u>386,736</u>	<u>5,511,546</u>	<u>156,249</u>	<u>5,281,059</u>		
40	Net operating income for return	<u>\$1,141,273</u>	<u>\$507,438</u>	<u>\$1,648,712</u>	<u>\$1,288,693</u>	<u>\$2,937,405</u>	<u>\$520,657</u>	<u>\$2,169,369</u>		

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(a)
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(a)
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountants.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (a).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (a).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (a).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (a).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (a).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (a).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (a).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (a).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (a).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (a).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (d).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(a), Line 15, Column (c).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(b)
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(b)
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountants.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (b).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (b).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (b).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (b).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (b).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (b).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (b).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (b).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (b).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (b).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (e).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(b), Line 15, Column (c).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(c)
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(c)
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountants.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (c).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (c).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (c).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (c).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (c).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (c).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (c).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (c).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (c).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (c).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (f).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(c), Line 15, Column (c).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(d)
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(d)
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountants.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (d).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 2, Column (d).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (d).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (d).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (d).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (d).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (d).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (d).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (d).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (d).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (g).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(d), Line 15, Column (c).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(e)
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(e)
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Provided by Public Staff Accountant Feasel.
- [3] Provided by Public Staff Engineer Franklin.
- [4] Provided by Public Staff Engineer Houser.
- [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3-6, Line 8, Column (e).
- [6] Remove proforma increase for material and supplies.
- [7] Public Staff Corrected WSIP Exhibit 1, Schedule 3-7, Line 12, Column (e).
- [8] Public Staff Corrected WSIP Exhibit 1, Schedule 3-9, Line 3, Column (e).
- [9] Public Staff Corrected WSIP Exhibit 1, Schedule 3-10, Line 11, Column (e).
- [10] Public Staff Corrected WSIP Exhibit 1, Schedule 3-11, Line 6, Column (e).
- [11] Public Staff Corrected WSIP Exhibit 1, Schedule 3-12, Line 2, Column (e).
- [12] Public Staff Corrected WSIP Exhibit 1, Schedule 3-13, Line 2, Column (e).
- [13] Remove company's annualization and consumption adjustments.
- [14] Public Staff Corrected WSIP Exhibit 1, Schedule 3-15, Line 12, Column (e).
- [15] Public Staff Corrected WSIP Exhibit 1, Schedule 3-16, Line 8, Column (e).
- [16] Public Staff Corrected WSIP Exhibit 1, Schedule 3-17, Line 12, Column (e).
- [17] Column (a) plus Column (b), unless footnoted otherwise.
- [18] Provided by Public Staff Engineer Darden.
- [19] Line 1 times late payment fee percentage.
- [20] Line 1 plus Line 2 times the sum of uncollectibles percentage and abatement percentage.
- [21] Public Staff Corrected WSIP Exhibit 1, Schedule 3-14, Line 17, Column (h).
- [22] Line 5 x 0.14%.
- [23] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (a).
- [24] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (a).
- [25] Column (e) minus Column (c), unless otherwise footnoted.
- [26] Column (c) plus Column (d), unless otherwise footnoted.
- [27] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (b).
- [28] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (b).
- [29] Column (g) minus Column (c), unless otherwise footnoted.
- [30] Column (c) plus Column (f), unless otherwise footnoted.
- [31] Revenue requirement as calculated by the Public Staff.
- [32] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 13, Column (c).
- [33] Public Staff Corrected WSIP Exhibit 1, Schedule 3-18(e), Line 15, Column (c).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-1

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Adjustment to remove Oaks at Hunter Hill and Shepherds Way \$	14,345	\$0	\$0	\$0	\$0
2	Adjustment to remove Lakewood in Gaston County	5,004	0	0	0	0
3	Adjustment to remove NorthGate in Wake County	10,008	0	0	0	0
4	Adjustment to miscellaneous revenues (Sum of L1 thru L3)	<u>\$29,358</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[1] Recommended by Public Staff engineer Junis

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO PURCHASED WATER/SEWER
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-2

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	\$2,679,188	\$896,578	\$329	\$8,920	\$312,747
2	Adjustment to remove proforma increase	(\$116,838)	(\$26,452)	(\$10)	(\$263)	(\$9,227)
3	Adjustment to Purchased Water and Sewer through August 31, 2022	(51,076)	(135,322)	(319)	(979)	8,222
2	Total adjustment to purchased water/sewer through August 31, 2022	(167,914)	(161,774)	(329)	(1,242)	(1,005)
3	Adjustment to purchased water/sewer per Public Staff	<u>\$2,511,274</u>	<u>\$734,804</u>	<u>\$0</u>	<u>\$7,678</u>	<u>\$311,742</u>

[1] Per examination of Company financial records.
[2] Per recommendation of witness Franklin

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573

SLUDGE REMOVEL

For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-3

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	\$0 [1]	\$667,903 [1]	\$0 [1]	\$172,329 [1]	\$0 [1]
2	Adjustment to remove proforma increase	0	(19706)	0	(5084)	0 [1]
3	Adjustment to Purchased water through August 31, 2022	0 [2]	(25494) [2]	0 [2]	11843 [2]	0 [2]
4	Adjustment to Reflect the growth and consumption factors	0 [3]	32,131 [3]	0 [3]	8,059 [3]	0 [3]
5	Total adjustment to Sludge Hauling per Public Staff	0	(13,069)	0	14,818	0
6	Amount per Public Staff	<u>\$0</u>	<u>\$654,834</u>	<u>\$0</u>	<u>\$187,147</u>	<u>\$0</u>

- [1] Per examination of Company financial records.
- [2] Per recommendation of witness Franklin
- [3] Per witness Darden's recommended growth factors

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

PURCHASED POWER

For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1

Schedule 3-4

Base Year

Line No.	Item	Aqua Water		Aqua Sewer		Fairways Water		Fairways Sewer		Brookwood Water	
		(a)	[1]	(b)	[1]	(c)	[1]	(d)	[1]	(e)	[1]
1	Amount per Company application	\$2,426,141	[1]	\$1,115,877	[1]	\$92,920	[1]	\$121,678	[1]	\$281,414	[1]
2	Adjustment to remove proforma increase	(71,579)		(32,922)		(2,741)		(3,590)		(8,302)	[1]
3	Adjustment to Purchased water through August 31, 2022	(1,214)	[2]	-	[2]		[2]		[2]	-	[2]
4	Adjustment to Reflect the growth and consumption factors	82,132	[3]	55,880	[3]	(1,019)	[3]	5,314	[3]	(1,557)	[3]
5	Total adjustment to power per Public Staff	9,339		22,958		(3,760)		1,724		(9,859)	
6	Purchased Power per Public Staff	<u>\$2,435,480</u>		<u>1,138,835</u>		<u>89,160</u>		<u>123,402</u>		<u>271,555</u>	

- [1] Per examination of Company financial records.
- [2] Per recommendation of witness Franklin
- [3] Per witness Darden's recommended growth factors

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FUEL FOR POWER PRODUCTION
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-5

Line No.	Item	Base Year				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	\$1,754	\$40,855	\$0	\$0	\$1,348
2	Adjustment to remove proforma increase	(51)	(1,205)	[1]	[1]	(40)
3	Adjustment to fuel for power production per PS Engineer	(1,099)	(12,742)	951	353	(793)
4	Adjustment to fuel for power production (Line 2 + Line 3)	(1,150)	(13,947)	951	353	(833)
5	Total fuel for power production per Public Staff (L1 + L4)	<u>604</u>	<u>26,908</u>	<u>951</u>	<u>353</u>	<u>515</u>

[1] Per examination of Company financial records.
[2] Per recommendation of witness Houser

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CHEMICALS
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-6

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	<u>\$489,754</u>	<u>\$613,724</u>	<u>\$29,896</u>	<u>\$36,972</u>	<u>\$308,600</u>
4	Adjustment to remove proforma increase	(14,450) [1]	(18,106) [1]	(883) [1]	(1,091) [1]	(9,105) [1]
5	Adjustment to add in Company's adjustments on updates	284,755 [2]	300,798 [2]	26,527 [2]	18,711 [2]	168,558 [2]
6	Adjustments from Public Staff engineer	(4) [2]	(648) [2]	1 [2]	58 [2]	3,682 [2]
7	Adjustments to apply growth factor	<u>26,526</u> [1]	<u>46,222</u> [1]	<u>(628)</u> [1]	<u>2,459</u> [1]	<u>(2,689)</u> [1]
8	Total adjustments for chemicals (Sum L2 through L5)	296,827	328,266	25,018	20,137	160,446
9	Adjustment to chemicals per Public Staff	<u><u>\$786,581</u></u>	<u><u>\$941,990</u></u>	<u><u>\$54,914</u></u>	<u><u>\$57,109</u></u>	<u><u>\$469,046</u></u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Bhatta.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO TESTING FEES
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-7

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$714,295</u> [1]	<u>\$233,369</u> [1]	<u>\$21,985</u> [1]	<u>\$13,165</u> [1]	<u>\$70,146</u> [1]
2	Adjustment to remove proforma increase	(21,074)	(6,886)	(649)	(389)	(2,069)
3	Adjustment to testing fees per Public Staff	<u>\$693,221</u>	<u>\$226,483</u>	<u>\$21,336</u>	<u>\$12,776</u>	<u>\$68,077</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO TRANSPORTATION FEES
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-8

Line No.	Item	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	<u>\$1,455,375</u> [1]	<u>\$424,078</u> [1]	<u>\$46,879</u> [1]	<u>\$35,742</u> [1]	<u>\$128,620</u> [1]
2	Adjustment to remove proforma increase	(42,941)	(12,512)	(1,384)	(1,053)	(3,797)
3	Adjustment to transportation per engineer	(316,159) [2]	(94,063) [2]	(10,052) [2]	(7,800) [2]	(25,190) [2]
4	Total adjustment to transportation fees (Line 2 + Line 3)	(359,100)	(106,575)	(11,436)	(8,853)	(28,987)
5	Adjustment to transportation fees per Public Staff	<u>\$1,096,275</u>	<u>\$317,503</u>	<u>\$35,443</u>	<u>\$26,889</u>	<u>\$99,633</u>

[1] Per examination of Company financial records.

[2] Per recommendation of witness Houser

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO CONTRACTUAL SERVICES -
ENGINEERING**
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-9

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	\$417 [1]	\$0 [1]	\$0 [1]	\$0 [1]	\$0 [1]
2	Adjustment to remove proforma increase	(12)	0	0	0	0
3	Total adjustment to contractual services - engineer through August 31, 2022	(12)	0	0	0	0
4	Total contractual services - engineer per Public Staff	<u>405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CONTRACTUAL SERVICES - ACCOUNTING
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-10

Line No.	Item	<u>Base Year</u>				
		Aqua Water [1] (a)	Aqua Sewer [1] (b)	Fairways Water [1] (c)	Fairways Sewer [1] (d)	Brookwood Water [1] (e)
1	Amount per Company application	<u>\$147,827</u>	<u>\$41,009</u>	<u>\$11,479</u>	<u>\$7,181</u>	<u>\$32,608</u>
2	Adjustment to remove proforma increase	(4,361)	(1,210)	(339)	(213)	(962)
3	Adjustment to remove unsupported expenses					
	Adjustment to remove non-recurring costs:					
4	Other acquisitions	(2,107)	(592)	(165)	(103)	(459) [1]
5	IT System changes 2021	(918)	(258)	(72)	(45)	(200) [1]
6	Goodwill impairment analysis	(5,509)	(1,547)	(432)	(271)	(1,199) [1]
7	SAP pre-implementation	(12,041)	(3,381)	(944)	(591)	(2,622) [1]
8	SOX controls audit-overage (estimate)	(3,673)	(1,031)	(288)	(180)	(800) [1]
9	Adjustment to remove unsubstantiated costs	(918)	(258)	(72)	(45)	(200) [1]
10	Total adjustment to remove non-recurring costs (L4 through L9)	<u>(25,167)</u>	<u>(7,067)</u>	<u>(1,972)</u>	<u>(1,236)</u>	<u>(5,480)</u>
11	Total adjustments to contract services - acctg per Public Staff (L2 + L3 +L10)	<u>(29,528)</u>	<u>(8,277)</u>	<u>(2,311)</u>	<u>(1,449)</u>	<u>(6,442)</u>
12	Contract services - acctg per Public Staff (L1 + L10)	<u><u>118,299</u></u>	<u><u>32,732</u></u>	<u><u>9,168</u></u>	<u><u>5,732</u></u>	<u><u>26,166</u></u>

[1] Per examination of Company response to PSDR8-2.
[2] Allocated using customer count ratios per Company Item 4.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**ADJUSTMENT TO CONTRACTUAL
SERVICES - LEGAL**

For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-11

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> [1] (a)	<u>Aqua Sewer</u> [1] (b)	<u>Fairways Water</u> [1] (c)	<u>Fairways Sewer</u> [1] (d)	<u>Brookwood Water</u> [1] (e)
1	Amount per Company application	\$ 175,759	\$ 121,434	\$ 13,257	\$ 8,601	\$ 37,934
2	Adjustment to remove proforma increase	(7,248)	(3,943)	(1,991)	(830)	(8,466)
3	Adjustment to remove expenses outside of the test year for Davis Hartman Wright	(1,586) [1]	(445) [1]	(124) [1]	(78) [1]	(345) [1]
4	Adjustment to remove expenses outside of the test year for Manning, Fulton	(6,921) [1]	(1,943) [1]	(542) [1]	(340) [1]	(1,507) [1]
5	Adjustment to add expenses incurred in 2021, processed 2022	3,871 [1]	1,087 [1]	303 [1]	190 [1]	843 [1]
6	Public Staff adjustments to contract services - legal (sum lines 2 thru 5)	<u>(11,884)</u>	<u>(5,244)</u>	<u>(2,354)</u>	<u>(1,058)</u>	<u>(9,475)</u>
7	Contract services - legal expense per Public Staff (L1 - L6)	<u><u>163,875</u></u>	<u><u>\$116,190</u></u>	<u><u>\$10,903</u></u>	<u><u>\$7,543</u></u>	<u><u>\$28,459</u></u>

[1] Per examination of Company response to PSDR34-1.
[2] Allocated using customer count rations per Item 4.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO CONTRACTUAL SERVICES-OTHER
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-12

<u>Line No.</u>	<u>Item</u>	<u>Base Year</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company application	\$2,368,777 [1]	\$1,822,192 [1]	\$175,369 [1]	\$161,338 [1]	\$840,927
2	Adjustment to remove proforma increase	(\$69,884)	(\$53,763)	(\$5,172)	(\$4,760)	(\$24,812)
3	Total contractual services other per Public Staff (L1-L2)	<u>\$2,298,893</u>	<u>\$1,768,429</u>	<u>\$170,197</u>	<u>\$156,578</u>	<u>\$816,115</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO RENT

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-13

For The Test Year Ended December 31, 2021

Line No.	Item	Base Year				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company application	\$263,096 [1]	\$58,848 [1]	\$18,925 [1]	\$11,842 [1]	\$30,744 [1]
2	Adjustment to backout the proposed increase for rent	(7,762) [1]	(1,737) [1]	(558) [1]	(350) [1]	(907) [1]
3	Amount per Public Staff	<u>255,334</u>	<u>57,111</u>	<u>18,367</u>	<u>11,492</u>	<u>29,837</u>

[1] Per examination of Company financial records.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-14

Line No.	Item	Amount Per Application (a)	Public Staff Adjustment (b) [1]	Amount Per Public Staff (c)	Base Year				
					Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$814,766)</u>	601,705 [2]					
2	Amortization period in years			<u>5</u>					
3	Annual rate case expense for the current period			<u>120,341</u>	\$73,495 [4]	21,657 [5]	5,737 [6]	3,563 [7]	15,889 [8]
4	Unamortized balance of current rate case expense			<u>481,364</u>	293,978 [4]	86,628.82 [5]	22,949 [6]	14,252 [7]	63,556 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>\$1</u>	985,455 [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>328,485</u>	200,612 [4]	59,116 [5]	15,660 [6]	9,725 [7]	43,371 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>273,738</u>	167,177 [4]	49,263.25 [5]	13,050 [6]	8,105 [7]	36,143 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>\$0</u>	419,435					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>139,812</u>	\$85,386 [4]	\$25,161 [5]	\$6,665 [6]	\$4,139 [7]	\$18,460 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>116,510</u>	\$71,155 [4]	\$20,968 [5]	\$5,554 [6]	\$3,449 [7]	\$15,383 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>\$0</u>	58,664					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>11,733</u>	\$7,165 [4]	\$2,111 [5]	\$559 [6]	\$347 [7]	\$1,549 [8]
16	Unamortized balance of depreciation study expense			<u>11,244</u>	\$6,867 [4]	\$2,024 [5]	\$536 [6]	\$333 [7]	\$1,485 [8]
17	Regulatory commission expense per Public Staff				<u>\$366,658</u>	<u>\$108,046</u>	<u>\$28,622</u>	<u>\$17,775</u>	<u>\$79,269</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$539,177</u>	<u>\$158,883</u>	<u>\$42,089</u>	<u>\$26,139</u>	<u>\$116,567</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 526 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
COVID EXPENSES
For The Test Year Ended December 31, 2021

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-15

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
	Adjustments to remove non-recurring COVID expenses from test year:					
1	04.1- REG LABOR	\$16,513	\$3,851	\$1,077	\$672	\$3,027
2	04.3- LABOR BON/OPT	2,645	699	196	122	550
3	05- EMP BEN	21,019	5,578	1,560	973	4,384
4	22-OS SVCS-MAINT	2,712	2,713	0	0	2,713
5	25-SUPPLIES	15,015	0	0	0	0
6	26.1-TRANS LEASE	156	42	12	7	33
7	26.2-TRANS FUEL	6,888	1,838	514	321	1,444
8	26.3-TRANS OTH	820	218	61	38	171
9	26.4-TRANS MAINT	2,023	532	149	93	418
10	27- INSURANCE	4,005	1,004	281	175	789
11	33.3-OTHER TAXES-PR	5,198	1,267	354	221	996
12	Public Staff adjustment to remove non-recurring COVID Expenses (L1 thru 11)	<u>(\$76,993)</u>	<u>(\$17,741)</u>	<u>(\$4,203)</u>	<u>(\$2,621)</u>	<u>(\$14,526)</u>

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Mar 29 2023

AQUA NORTH CAROLINA, INC.

Docket No. W-218, Sub 573

ADJUSTMENT TO CONTRA-OH ALLOCATIONS
For The Test Year Ended December 31, 2021Public Staff Second Corrected WSIP Exhibit 1
Schedule 16

Line No.	Item	Base Year				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Contra-OH Allocations per application	\$ (1,633,450)	\$ (283,235)	\$ (43,937)	\$ (36,850)	\$ (108,414)
2	Adjustment to remove the proforma Cap_OH credit for base case	8,605 [1]	1,616 [1]	285 [1]	219 [1]	742 [1]
3	Adjustment to reclassify the Cap-OH-Credit-Labor	357,523 [1]	61,600 [1]	9,441 [1]	7,681 [1]	22,985 [1]
4	Adjustment to reclassify the Cap-OH-Credit-Benefits	647,016 [1]	112,750 [1]	17,755 [1]	15,197 [1]	43,894 [1]
5	Adjustment to reclassify the Cap-OH-Credit-PR Tax	152,251 [1]	0 [1]	4,163 [1]	0 [1]	10,293 [1]
6	Adjustment to fuel transportation expenses	64,110 [1]	19,074 [1]	2,038 [1]	1,581 [1]	5,108 [1]
7	Adjustment to reclassify the Cap-OH-Credit-Other-Insurance	96,665 [1]	15,573 [1]	2,061 [1]	1,921 [1]	4,736 [1]
8	Public Staff adjustments to Contra-OH Allocations (sum L2 thru L6)	1,326,170	210,613	35,743	26,598	87,758
9	Contr-OH Allocation per Public Staff (L1 + L7)	<u>(307,280)</u>	<u>(72,622)</u>	<u>(8,194)</u>	<u>(10,252)</u>	<u>(20,656)</u>

[1] Per examination of Company financial records.

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Mar 29 2023

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-17

For The Test Year Ended December 31, 2021

Line No.	Item	<u>Base Year</u>				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
<u>Depreciation expense</u>						
1	Adjustment to include post test year additions	(\$875,961) [1]	(\$367,295) [1]	(\$86,890) [1]	(\$136,675) [1]	(\$208,018) [1]
2	Adjustment for vehicle purchases	(28,310) [2]	13,807 [2]	3,857 [2]	2,412 [2]	8,235 [2]
3	Adjustment to excess capacity	0	0	0	0	0
4	Total adjustment to depreciation expense	<u>(904,271)</u>	<u>(353,488)</u>	<u>(83,033)</u>	<u>(134,263)</u>	<u>(199,783)</u>
<u>CIAC amortization expense</u>						
5	Adjustment to include post test year additions	(59,330) [3]	(17,545) [3]	(2,358) [3]	(257) [3]	(398) [3]
6	Adjustment to excess capacity	0	0	0	0	0
7	Adjustment to tank painting	(21,900) [4]	0	0	0	0
8	Adjustment to JoCo transmission fee revenue deficit	0	0	0	0	0
9	Adjustment to PTY plant deferred accounting	0	0	0	0	0
10	Total adjustment to CIAC amortization	<u>(81,230)</u>	<u>(17,545)</u>	<u>(2,358)</u>	<u>(257)</u>	<u>(398)</u>
<u>Amortization of acquisition adjustments</u>						
11	Adjustment to include post test year additions	<u>702</u> [4]	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12	Total Public Staff adjustment (L4 + L10 + L11)	<u><u>(\$984,799)</u></u>	<u><u>(\$371,033)</u></u>	<u><u>(\$85,391)</u></u>	<u><u>(\$134,520)</u></u>	<u><u>(\$200,181)</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a), Line 15, Col (a).
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(b), Line 3, Col(a).
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-3, Line 3, Col(a).
 [4] Provided by Public Staf.

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
AQUA WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18(a)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1.	Operating revenue	\$43,027,242	\$50,236,166	\$43,521,961
	Operating revenue deductions:			
2.	O&M and G&A expense	21,740,979	21,740,979	21,740,979
3.	Depreciation and amortization expense	7,495,403	7,495,403	7,495,403
4.	Property taxes	586,039	586,039	586,039
5.	Payroll taxes	514,143	514,143	514,143
6.	Other taxes	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,445)	(17,445)	(17,445)
8.	Regulatory fee	60,238	70,331	60,931
9.	Gross receipts tax	0	0	0
10.	Interest expense	3,181,223 [2]	3,181,223 [4]	3,181,223 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>33,734,936</u>	<u>33,745,029</u>	<u>33,735,629</u>
12.	Taxable income (L1 - L11)	<u>9,292,306</u>	<u>16,491,137</u>	<u>9,786,332</u>
13.	State income tax (L12 x 2.50%)	<u>232,308</u>	<u>412,278</u>	<u>244,658</u>
14.	Federal taxable income (L12 - L13)	<u>9,059,998</u>	<u>16,078,859</u>	<u>9,541,674</u>
15.	Federal income tax (L14 x 21.00%)	<u>1,902,600</u>	<u>3,376,560</u>	<u>2,003,752</u>
16.	Excess deferred income tax amortization	<u>(74,576)</u>	<u>(74,576)</u>	<u>(74,576)</u>
17.	Net amount (L12 - L13 - L15 - L16)	7,231,974	12,776,875	7,612,498
18.	Add: interest expense	<u>3,181,223 [2]</u>	<u>3,181,223 [4]</u>	<u>3,181,223 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$10,413,197</u></u>	<u><u>\$15,958,098</u></u>	<u><u>\$10,793,721</u></u>

- [1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 7, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
AQUA SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18(b)

Line No.	Item	Base Year		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1.	Operating revenue	\$18,509,669	\$21,410,287	\$18,392,569
	Operating revenue deductions:			
2.	O&M and G&A expense	9,709,708	9,709,708	9,709,708
3.	Depreciation and amortization expense	2,805,236	2,805,236	2,805,236
4.	Property taxes	15,405	15,405	15,405
5.	Payroll taxes	170,226	170,226	170,226
6.	Other taxes	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,819)	(4,819)	(4,819)
8.	Regulatory fee	29,914	29,914	25,750
9.	Gross receipts tax	0	0	0
10.	Interest expense	1,375,788 [2]	1,375,788 [4]	1,375,788 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>14,145,747</u>	<u>14,149,807</u>	<u>14,145,583</u>
12.	Taxable income (L1 - L11)	<u>4,363,921</u>	<u>7,260,479</u>	<u>4,246,985</u>
13.	State income tax (L12 x 2.50%)	<u>109,098</u>	<u>181,512</u>	<u>106,175</u>
14.	Federal taxable income (L12 - L13)	<u>4,254,823</u>	<u>7,078,967</u>	<u>4,140,810</u>
15.	Federal income tax (L14 x 21.00%)	<u>893,513</u>	<u>1,486,583</u>	<u>869,570</u>
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	3,382,256	5,613,330	3,292,186
18.	Add: interest expense	<u>1,375,788 [2]</u>	<u>1,375,788 [4]</u>	<u>1,375,788 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$4,758,044</u></u>	<u><u>\$6,989,118</u></u>	<u><u>\$4,667,974</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 7, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
FAIRWAYS WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18(c)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1.	Operating revenue	\$1,415,467	\$1,981,417	\$1,516,487
	Operating revenue deductions:			
2.	O&M and G&A expense	934,787	934,787	934,787
3.	Depreciation and amortization expense	143,620	143,620	143,620
4.	Property taxes	30,479	30,479	30,479
5.	Payroll taxes	21,376	21,376	21,376
6.	Other taxes	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,351)	(1,351)	(1,351)
8.	Regulatory fee	1,982	2,774	2,123
9.	Gross receipts tax	0	0	0
10.	Interest expense	92,417 [2]	92,417 [4]	92,417 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,236,829</u>	<u>1,237,621</u>	<u>1,236,970</u>
12.	Taxable income (L1 - L11)	<u>178,638</u>	<u>743,796</u>	<u>279,517</u>
13.	State income tax (L12 x 2.50%)	<u>4,466</u>	<u>18,595</u>	<u>6,988</u>
14.	Federal taxable income (L12 - L13)	<u>174,172</u>	<u>725,201</u>	<u>272,529</u>
15.	Federal income tax (L14 x 21.00%)	<u>36,576</u>	<u>152,292</u>	<u>57,231</u>
16.	Excess deferred income tax amortization	<u>(5,851)</u>	<u>(5,851)</u>	<u>(5,851)</u>
17.	Net amount (L12 - L13 - L15 - L16)	143,447	578,760	221,149
18.	Add: interest expense	<u>92,417 [2]</u>	<u>92,417 [4]</u>	<u>92,417 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$235,864</u></u>	<u><u>\$671,177</u></u>	<u><u>\$313,566</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 7, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
FAIRWAYS SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18(d)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1.	Operating revenue	\$2,255,107	\$3,608,933	\$2,769,782
	Operating revenue deductions:			
2.	O&M and G&A expense	962,066	962,066	962,066
3.	Depreciation and amortization expense	504,903	504,903	504,903
4.	Property taxes	2,634	2,634	2,634
5.	Payroll taxes	15,004	15,004	15,004
6.	Other taxes	8,461	8,461	8,461
7.	Benefit costs - Pension	(846)	(846)	(846)
8.	Regulatory fee	3,157	5,053	3,878
9.	Gross receipts tax	0	0	0
10.	Interest expense	311,303 [2]	311,303 [4]	311,303 [6]
11.	Total deductions (Sum of L2 thru L10)	<u>1,806,682</u>	<u>1,808,578</u>	<u>1,807,403</u>
12.	Taxable income (L1 - L11)	<u>448,425</u>	<u>1,800,355</u>	<u>962,379</u>
13.	State income tax (L12 x 2.50%)	<u>11,211</u>	<u>45,009</u>	<u>24,059</u>
14.	Federal taxable income (L12 - L13)	<u>437,214</u>	<u>1,755,346</u>	<u>938,320</u>
15.	Federal income tax (L14 x 21.00%)	<u>91,815</u>	<u>368,623</u>	<u>197,047</u>
16.	Excess deferred income tax amortization	<u>(3,659)</u>	<u>(3,659)</u>	<u>(3,659)</u>
17.	Net amount (L12 - L13 - L15 - L16)	349,058	1,390,382	744,932
18.	Add: interest expense	<u>311,303 [2]</u>	<u>311,303 [4]</u>	<u>311,303 [6]</u>
19.	Net income for return (L17 + L18)	<u><u>\$660,361</u></u>	<u><u>\$1,701,685</u></u>	<u><u>\$1,056,235</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 7, Column (e).

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
BROOKWOOD WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18(e)

Line No.	Item	<u>Base Year</u>		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)
1.	Operating revenue	<u>\$6,773,522</u>	<u>\$8,448,951</u>	<u>\$7,450,428</u>
	Operating revenue deductions:			
2.	O&M and G&A expense	3,516,404	3,516,404	3,516,404
3.	Depreciation and amortization expense	1,121,832	1,121,832	1,121,832
4.	Property taxes	106,775	106,775	106,775
5.	Payroll taxes	55,707	55,707	55,707
6.	Other taxes	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,853)	(3,853)	(3,853)
8.	Regulatory fee	9,483	11,829	10,431
9.	Gross receipts tax	0	0	0
10.	Interest expense	<u>639,376</u> [2]	<u>639,376</u> [4]	<u>639,376</u> [6]
11.	Total deductions (Sum of L2 thru L10)	<u>5,484,205</u>	<u>5,486,551</u>	<u>5,485,153</u>
12.	Taxable income (L1 - L11)	<u>1,289,317</u>	<u>2,962,400</u>	<u>1,965,275</u>
13.	State income tax (L12 x 2.50%)	<u>32,233</u>	<u>74,060</u>	<u>49,132</u>
14.	Federal taxable income (L12 - L13)	<u>1,257,084</u>	<u>2,888,340</u>	<u>1,916,143</u>
15.	Federal income tax (L14 x 21.00%)	<u>263,988</u>	<u>606,551</u>	<u>402,390</u>
16.	Excess deferred income tax amortization	<u>(16,240)</u>	<u>(16,240)</u>	<u>(16,240)</u>
17.	Net amount (L12 - L13 - L15 - L16)	1,009,336	2,298,029	1,529,993
18.	Add: interest expense	<u>639,376</u> [2]	<u>639,376</u> [4]	<u>639,376</u> [6]
19.	Net income for return (L17 + L18)	<u><u>\$1,648,712</u></u>	<u><u>\$2,937,405</u></u>	<u><u>\$2,169,369</u></u>

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025
AQUA WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(a)-RY
Page 1 of 2

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		PS Amount Per Base Year	RY1 Public Staff Adjustments [1]	RY1 Amount Per Public Staff [2]	RY2 Public Staff Adjustments [5]	RY2 Amount Per Public Staff [2]	RY3 Public Staff Adjustments [6]	RY3 Amount Per Public Staff [2]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$42,861,398	\$3,302,169	\$46,163,567 [3]	\$2,262,195	\$48,425,762 [3]	\$2,130,393	\$50,556,155 [3]		
2	Late payment fees	71,060	5,475	76,535 [4]	3,750	80,285 [4]	3,532	83,817 [4]		
3	Miscellaneous revenues	781,488	0	781,488 [4]	0	781,488 [4]	0	781,488 [4]		
4	Uncollectibles	(191,985)	(14,791)	(206,776) [4]	(10,133)	(216,909) [4]	(9,543)	(226,452) [4]		
5	Total operating revenues	43,521,961	3,292,854	46,814,814	2,255,812	49,070,626	2,124,382	51,195,008		
Operating Revenue Deductions:										
6	Salaries and wages	7,140,877	214,227	7,355,104	220,654	7,575,758	227,273	7,803,031		
7	Employee pensions and benefits	2,067,813	62,034	2,129,848	63,895	2,193,743	65,812	2,259,555		
8	Purchased water	2,511,274	0	2,511,274	0	2,511,274	0	2,511,274		
9	Purchased power	2,435,480	74,040	2,509,520	76,291	2,585,811	78,610	2,664,421		
10	Fuel for power production	604	0	604	0	604	0	604		
11	Chemicals	786,581	23,911	810,492	24,638	835,130	25,387	860,517		
12	Materials and supplies	476,863	14,496	491,359	14,937	506,296	15,391	521,687		
13	Testing fees	693,221	21,074	714,295	21,715	736,010	22,375	758,386		
14	Transportation	1,096,275	11,643	1,107,918	11,766	1,119,684	11,892	1,131,576		
15	Contractual services - engineering	405	13	418	13	431	13	444		
16	Contractual services - accounting	118,299	3,596	121,895	3,706	125,601	3,818	129,419		
17	Contractual services - legal	163,875	4,982	168,857	5,133	173,990	5,289	179,279		
18	Contractual services - management fees	0	0	0	0	0	0	0		
19	Contractual services - other	2,298,893	69,885	2,368,778	72,009	2,440,787	74,198	2,514,985		
20	Rent	255,334	7,763	263,097	7,999	271,096	8,242	279,338		
21	Insurance	688,521	20,930	709,451	21,566	731,017	22,222	753,239		
22	Advertising	0	0	0	0	0	0	0		
23	Regulatory commission expense	366,658	(293,163)	73,495	0	73,495	0	73,495		
24	Miscellaneous expense	1,005,200	30,558	1,035,758	31,487	1,067,245	32,444	1,099,690		
25	Interest on customer deposits	19,080	0	19,080	0	19,080	0	19,080		
26	Annualization & consumption adjustments	0	0	0	0	0	0	0		
27	Non-recurring COVID expenses	(76,993)	76,993	0	0	0	0	0		
28	Contra-OH Allocations	(307,280)	(9,341)	(316,621)	(9,625)	(326,246)	(9,918)	(336,164)		
29	Total O&M and G&A expense	21,740,979	333,642	22,074,620	566,184	22,640,805	583,051	23,223,856		
30	Depreciation and amortization expense	7,495,403	1,249,876	8,745,279	809,219	9,554,498	714,812	10,269,310		
31	Property taxes	586,039	39,401	625,440	20,683	646,123	21,367	667,490		
32	Payroll taxes	514,143	15,424	529,567	15,887	545,454	16,364	561,818		
33	Other taxes	174,357	0	174,357	0	174,357	0	174,357		
34	Benefit costs - Pension	(17,445)	(523)	(17,968)	(539)	(18,507)	(555)	(19,063)		
35	Regulatory fee	60,931	4,610	65,541	3,158	68,699	2,974	71,673		
36	Deferred income tax	(74,576)	0	(74,576)	0	(74,576)	0	(74,576)		
37	State income tax	244,658	29,764	274,422	15,827	290,249	14,794	305,043		
38	Federal income tax	2,003,752	243,764	2,247,516	129,620	2,377,136	121,169	2,498,305		
39	Total operating revenue deductions	32,728,240	1,915,958	34,644,198	1,560,040	36,204,238	1,473,975	37,678,213		
40	Net operating income for return	\$10,793,721	\$1,376,896	\$12,170,616	\$695,772	\$12,866,389	\$650,407	\$13,516,796		

Agua North Carolina, Inc.
Docket No. W-218, Sub 573
NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025
AQUA SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(b)-RY
Page 1 of 2

Line No.	Item	Rate Year 1		Rate Year 2		Rate Year 3		
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c) [2]	(d) [19]	(e) [2]	(f) [23]	(g) [2]
Operating Revenues:								
1	Service revenues	\$18,410,961	\$1,613,867	\$20,024,828 [3]	\$1,722,809	\$21,747,637 [3]	\$657,394	\$22,405,031 [3]
2	Late payment fees	20,504	1,798	22,302 [4]	1,918	24,220 [4]	732	24,952 [4]
3	Miscellaneous revenues	22,331	0	22,331 [4]	0	22,331 [4]	0	22,331 [4]
4	Uncollectibles	(61,227)	(5,368)	(66,595) [4]	(5,729)	(72,324) [4]	(2,186)	(74,510) [4]
5	Total operating revenues	18,392,569	1,610,297	20,002,866	1,718,998	21,721,864	655,940	22,377,804
Operating Revenue Deductions:								
6	Salaries and wages	2,331,863	69,956	2,401,819	72,055	2,473,873	74,216	2,548,089
7	Employee pensions and benefits	680,429	20,413	700,842	21,025	721,868	21,656	743,524
8	Purchased sewer treatment	734,804	22,338	757,142	23,017	780,159	23,717	803,876
9	Sludge removal	654,834	19,907	674,741	20,512	695,253	21,135	716,389
10	Purchased power	1,138,835	34,622	1,173,457	35,675	1,209,132	36,759	1,245,891
11	Fuel for power production	26,908	0	26,908	0	26,908	0	26,908
12	Chemicals	941,990	28,636	970,626	29,507	1,000,132	30,404	1,030,536
13	Materials and supplies	128,900	3,919	132,819	4,038	136,857	4,161	141,018
14	Testing fees	226,483	6,886	233,369	7,095	240,464	7,311	247,774
15	Transportation	317,503	3,372	320,875	3,408	324,283	3,444	327,727
16	Contractual services - engineering	0	0	0	0	0	0	0
17	Contractual services - accounting	32,732	995	33,727	1,026	34,753	1,057	35,809
18	Contractual services - legal	116,190	3,533	119,723	3,640	123,363	3,751	127,113
19	Contractual services - management fees	0	0	0	0	0	0	0
20	Contractual services - other	1,768,429	53,763	1,822,192	49,780	1,871,971	(77,901)	1,794,071
21	Rent	57,111	1,736	58,847	1,789	60,636	1,843	62,480
22	Insurance	202,892	6,168	209,060	6,355	215,415	6,549	221,964
23	Advertising	0	0	0	0	0	0	0
24	Regulatory commission expense	108,046	(86,389)	21,657 [14]	0	21,657	0	21,657
25	Miscellaneous expense	331,703	10,081	341,784	10,387	352,170	10,703	362,873
26	Interest on customer deposits	419	0	419	0	419	0	419
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0
28	Non-recurring COVID expenses	(17,741)	17,741	0	0	0	0	0
29	Contra-OH Allocations	(72,622)	(2,208)	(74,831)	(2,276)	(77,106)	(2,345)	(79,451)
30	Total O&M and G&A expense	9,709,708	215,467	9,925,175	287,032	10,212,207	166,459	10,378,667
31	Depreciation and amortization expense	2,805,236	500,645	3,305,881	474,518	3,780,399	263,695	4,044,094
32	Property taxes	15,405	1,035	16,440	544	16,984	562	17,546
33	Payroll taxes	170,226	5,107	175,333	5,260	180,593	5,418	186,011
34	Other taxes	48,289	0	48,289	0	48,289	0	48,289
35	Benefit costs - Pension	(4,819)	(145)	(4,964)	(149)	(5,112)	(153)	(5,266)
36	Regulatory fee	25,750	2,254	28,004 [16]	2,407	30,411 [16]	918	31,329 [16]
37	Deferred income tax	(20,946)	0	(20,946)	0	(20,946)	0	(20,946)
38	State income tax	106,175	16,111	122,286 [17]	17,861	140,147 [21]	4,121	144,268 [26]
39	Federal income tax	869,570	131,951	1,001,521 [18]	146,287	1,147,808 [22]	33,751	1,181,559 [27]
40	Total operating revenue deductions	13,724,594	872,425	14,597,020	933,760	15,530,779	474,771	16,005,551
41	Net operating income for return	\$4,667,974	\$737,872	\$5,405,846	\$785,238	\$6,191,084	\$181,169	\$6,372,253

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1

Schedule 3(c)-RY

Page 1 of 2

NET OPERATING INCOME FOR A RETURN

For The Rate Years 1-3 Ended December 31, 2025

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$1,420,540	\$566,701	\$1,987,241	\$110,707	\$2,097,948	\$150,765	\$2,248,713
2	Late payment fees	2,355	940	3,295	183	3,478	250	3,728
3	Miscellaneous revenues	99,955	0	99,955	0	99,955	0	99,955
4	Uncollectibles	(6,363)	(2,538)	(8,901)	(496)	(9,397)	(675)	(10,072)
5	Total operating revenues	1,516,487	565,103	2,081,590	110,394	2,191,984	150,340	2,342,324
Operating Revenue Deductions:								
6	Salaries and wages	299,517	8,982	308,499	9,255	317,755	9,533	327,288
7	Employee pensions and benefits	85,642	2,569	88,212	2,646	90,858	2,726	93,584
8	Purchased water	0	0	0	0	0	0	0
9	Purchased power	89,160	2,710	91,870	2,793	94,663	2,878	97,541
10	Fuel for power production	951	0	951	0	951	0	951
11	Chemicals	54,914	1,670	56,583	1,719	58,302	1,773	60,075
12	Materials and supplies	17,640	536	18,176	553	18,729	569	19,298
13	Testing fees	21,336	648	21,984	669	22,653	689	23,342
14	Transportation	35,443	376	35,819	380	36,199	385	36,584
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	9,168	279	9,446	287	9,733	295	10,028
17	Contractual services - legal	10,903	331	11,234	341	11,576	352	11,928
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	170,197	5,175	175,372	5,329	180,701	5,495	186,196
20	Rent	18,367	559	18,926	576	19,502	593	20,095
21	Insurance	53,747	1,635	55,382	1,684	57,067	1,734	58,801
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	28,622	(22,885)	5,737 [13]	0	5,737	0	5,737
24	Miscellaneous expense	51,183	1,554	52,737	1,598	54,335	1,650	55,985
25	Interest on customer deposits	395	0	395	0	395	0	395
26	Annualization & consumption adjustments	0	0	0 [14]	0	0	0	0
27	Non-recurring COVID expenses	(4,203)	4,203	0	0	0	0	0
28	Contra-OH Allocations	(8,194)	(249) [2]	(8,443)	(256)	(8,699)	(264)	(8,964)
29	Total O&M and G&A expense	934,787	8,094	942,881	27,575	970,456	28,407	998,863
30	Depreciation and amortization expense	143,620	131,023 [7]	274,643	43,419	318,062	47,208	365,270
31	Property taxes	30,479	2,049	32,528	1,076	33,604	1,111	34,715
32	Payroll taxes	21,376	641 [2]	22,017	661	22,678	680	23,358
33	Other taxes	13,519	0	13,519	0	13,519	0	13,519
34	Benefit costs - Pension	(1,351)	(41)	(1,392)	(42)	(1,433)	(43)	(1,476)
35	Regulatory fee	2,123	791	2,914 [15]	155	3,069 [15]	210	3,279 [15]
36	Deferred income tax	(5,851)	0 [8]	(5,851)	0	(5,851)	0	(5,851)
37	State income tax	6,988	7,912	14,900 [16]	707	15,607 [20]	1,369	16,976 [25]
38	Federal income tax	57,231	64,802	122,033 [17]	5,786	127,819 [21]	11,212	139,031 [26]
39	Total operating revenue deductions	1,202,921	215,272	1,418,193	79,337	1,497,529	90,155	1,587,685
40	Net operating income for return	\$313,566	\$349,831	\$663,398	\$31,057	\$694,455	\$60,185	\$754,640

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1

Schedule 3(d)-RY

Page 1 of 2

NET OPERATING INCOME FOR A RETURN
For The Rate Years 1-3 Ended December 31, 2025
FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Amount Per Base Year	RY1 Public Staff Adjustments [1]	RY1 Amount Per Public Staff [10]	RY2 Public Staff Adjustments [19]	RY2 Amount Per Public Staff [20]	RY3 Public Staff Adjustments [23]	RY3 Amount Per Public Staff [24]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
Operating Revenues:										
1	Service revenues	\$2,775,882	\$31,727	\$2,807,609 [11]	\$39,184	\$2,846,793 [11]	\$239,467	\$3,086,260 [25]		
2	Late payment fees	3,091	36	3,127 [12]	43	\$3,170 [12]	267	\$3,437 [12]		
3	Miscellaneous revenues	40	0	40	0	\$40	0	\$40		
4	Uncollectibles	(9,231)	(106)	(9,337) [13]	(130)	(\$9,467) [13]	(797)	(\$10,264) [13]		
5	Total operating revenues	2,769,782	31,657	2,801,439	39,097	2,840,536	238,937	3,079,473		
Operating Revenue Deductions:										
6	Salaries and wages	208,395	6,251 [2]	214,646	6,439	221,084	6,634	227,718		
7	Employee pensions and benefits	60,799	1,824 [2]	62,623	1,879	64,502	1,935	66,437		
8	Purchased sewer treatment	7,678	233	7,911	240	8,151	248	8,399		
9	Sludge removal	187,147	0 [3]	187,147	5,689	192,836	5,862	198,698		
10	Purchased power	123,402	3,752 [4]	127,154	3,866	131,020	3,984	135,004		
11	Fuel for power production	353	0 [4]	353	0	353	0	353		
12	Chemicals	57,109	1,736	58,845	1,789	60,634	1,844	62,478		
13	Materials and supplies	16,327	496 [5]	16,823	511	17,334	527	17,861		
14	Testing fees	12,776	0 [3]	12,776	389	13,165	400	13,565		
15	Transportation	26,889	285	27,174	289	27,463	292	27,755		
16	Contractual services - engineering	0	0	0	0	0	0	0		
17	Contractual services - accounting	5,732	0	5,732	174	5,906	180	6,086		
18	Contractual services - legal	7,543	229 [6]	7,772	237	8,009	244	8,252		
19	Contractual services - management fees	0	0	0	0	0	0	0		
20	Contractual services - other	156,578	4,758 [7]	161,336	4,904	166,240	5,054	171,295		
21	Rent	11,492	0	11,492	349	11,841	360	12,201		
22	Insurance	33,379	1,016 [2]	34,395	1,047	35,442	1,078	36,520		
23	Advertising	0	0	0	0	0	0	0		
24	Regulatory commission expense	17,775	(14,212)	3,563 [14]	0	3,563	0	3,563		
25	Miscellaneous expense	41,557	1,263 [2]	42,820	1,298	44,117	1,335	45,452		
26	Interest on customer deposits	7	0	7	0	7	0	7		
27	Annualization & consumption adjustments	0	0	0 [15]	0	0	0	0		
28	Non-recurring COVID expenses	(2,621)	2,621	0	0	0	0	0		
29	Contra-OH Allocations	(10,252)	(312) [2]	(10,563)	(321)	(10,884)	(331)	(11,215)		
30	Total O&M and G&A expense	962,066	9,940	972,006	28,779	1,000,785	29,645	1,030,430		
31	Depreciation and amortization expense	504,903	31,883 [8]	536,786	24,244	561,030	73,046	634,076		
32	Property taxes	2,634	177	2,811	93	2,904	96	3,000		
33	Payroll taxes	15,004	450 [2]	15,454	464	15,918	478	16,395		
34	Other taxes	8,461	-	8,461	0	8,461	0	8,461		
35	Benefit costs - Pension	(846)	(25)	(871)	(26)	(898)	(27)	(924)		
36	Regulatory fee	3,878	44	3,922 [16]	55	3,977 [16]	335	4,311 [16]		
37	Deferred income tax	(3,659)	- [9]	(3,659)	-	(3,659)	-	(3,659) [26]		
38	State income tax	24,059	(329)	23,730 [17]	-273	23,457 [21]	2,547	26,004 [26]		
39	Federal income tax	197,047	(2,698)	194,349 [18]	-2,235	192,114 [22]	20,857	212,971 [27]		
40	Total operating revenue deductions	1,713,547	39,442	1,752,989	51,100	1,804,089	126,977	1,931,066		
41	Net operating income for return	\$1,056,235	(\$7,785)	\$1,048,450	(\$12,003)	\$1,036,447	\$111,960	\$1,148,407		

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1

Schedule 3(e)-RY

Page 1 of 2

NET OPERATING INCOME FOR A RETURN

For The Rate Years 1-3 Ended December 31, 2025

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 1			Rate Year 2		Rate Year 3	
		Amount Per Base Year	RY1 Public Staff Adjustments	RY1 Amount Per Public Staff	RY2 Public Staff Adjustments	RY2 Amount Per Public Staff	RY3 Public Staff Adjustments	RY3 Amount Per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operating Revenues:								
1	Service revenues	\$7,198,403	\$912,233	\$8,110,636	\$483,440	\$8,594,076	\$489,227	\$9,083,303
2	Late payment fees	25,556	3,238	28,794	1,717	30,511	1,737	32,248
3	Miscellaneous revenues	361,152	-	361,152	-	361,152	-	361,152
4	Uncollectibles	(134,683)	(17,068)	(151,751)	(9,045)	(160,796)	(9,153)	(169,949)
5	Total operating revenues	7,450,428	898,403	8,348,831	476,112	8,824,943	481,811	9,306,754
Operating Revenue Deductions:								
6	Salaries and wages	790,729	23,720	814,449	24,432	838,880	25,164	864,044
7	Employee pensions and benefits	228,254	6,848	235,102	7,053	242,155	7,265	249,420
8	Purchased water	311,742	0	311,742	0	311,742	0	311,742
9	Purchased power	271,555	8,255	279,811	8,506	288,317	8,765	297,082
10	Fuel for power production	515	0	515	0	515	0	515
11	Chemicals	469,046	14,260	483,306	14,693	497,999	15,138	513,138
12	Materials and supplies	24,664	749	25,413	773	26,186	797	26,983
13	Testing fees	68,077	2,069	70,146	2,132	72,278	2,197	74,476
14	Transportation	99,633	1,058	100,691	1,070	101,761	1,081	102,842
15	Contractual services - engineering	0	0	0	0	0	0	0
16	Contractual services - accounting	26,166	795	26,962	820	27,782	845	28,627
17	Contractual services - legal	28,459	866	29,325	891	30,216	918	31,134
18	Contractual services - management fees	0	0	0	0	0	0	0
19	Contractual services - other	816,115	24,808	840,923	25,566	866,489	26,341	892,830
20	Rent	29,837	907	30,744	933	31,677	962	32,639
21	Insurance	148,854	4,525	153,379	4,663	158,042	4,803	162,845
22	Advertising	0	0	0	0	0	0	0
23	Regulatory commission expense	79,269	(63,380)	15,889	0	15,889	0	15,889
24	Miscellaneous expense	153,750	4,670	158,420	4,816	163,236	4,961	168,197
25	Interest on customer deposits	4,919	0	4,919	0	4,919	0	4,919
26	Annualization & consumption adjustments	0	0	0	0	0	0	0
27	Non-recurring COVID expenses	(14,526)	14,526	0	0	0	0	0
28	Contra-OH Allocations	(20,656)	(628)	(21,284)	(647)	(21,931)	(667)	(22,598)
29	Total O&M and G&A expense	3,516,404	44,047	3,560,451	95,701	3,656,151	98,571	3,754,722
30	Depreciation and amortization expense	1,121,832	287,642	1,409,474	145,071	1,554,545	149,699	1,704,244
31	Property taxes	106,775	7,179	113,954	3,768	117,722	3,893	121,615
32	Payroll taxes	55,707	1,671	57,378	1,721	59,099	1,773	60,872
33	Other taxes	38,482	0	38,482	0	38,482	0	38,482
34	Benefit costs - Pension	(3,853)	(116)	(3,969)	(119)	(4,088)	(123)	(4,210)
35	Regulatory fee	10,431	1,257	11,688 [15]	667	12,355 [15]	675	13,029 [15]
36	Deferred income tax	(16,240)	0	(16,240)	0	(16,240)	0	(16,240)
37	State income tax	49,132	10,215	59,347 [16]	4,314	63,661 [20]	4,277	67,938 [25]
38	Federal income tax	402,390	83,664	486,054 [17]	35,333	521,387 [21]	35,027	556,414 [26]
39	Total operating revenue deductions	5,281,059	435,560	5,716,619	286,455	6,003,074	293,792	6,296,866
40	Net operating income for return	\$2,169,369	\$462,843	\$2,632,212	\$189,657	\$2,821,869	\$188,019	\$3,009,888

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(a)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(a)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(b)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(b)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(c)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(c)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(d)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(d)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
FOOTNOTES TO SCHEDULE 3(e)-RY
For The Rate Years 1 - 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3(e)-RY
Page 2 of 2

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Per O&M Adj Summary, unless otherwise footnoted
- [3] Provided by Public Staff Engineer Darden.
- [4] Provided by Public Staff Financial Analyst.
- [5] Column (e) minus Column (c), unless otherwise footnoted.
- [6] Column (g) minus Column (e), unless otherwise footnoted.

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-(a)(1)-RY

Public Staff Recommended Revenue Requirements
For The Rate Year 1 - Rate Year 3 Ended December 31, 2025

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1</u> (a)	<u>Rate Year 2</u> (b)	<u>Rate Year 3</u> (c)
<u>Aqua Water</u>				
1	Service revenues	\$46,163,567 [1]	\$48,425,762 [1]	\$50,556,155 [1]
2	Late payment fees	76,535	80,285	83,817
	Miscellaneous revenues	781,488	781,488	781,488
3	Uncollectibles	<u>(206,776)</u>	<u>(216,909)</u>	<u>(226,452)</u>
4	Total operating revenues	<u>46,814,814</u>	<u>49,070,626</u>	<u>51,195,008</u>
<u>Aqua Sewer</u>				
6	Service revenues	\$20,024,828	\$21,026,069	\$22,077,373
7	Late payment fees	22,302	24,220	24,952
	Miscellaneous revenues	22,331	22,331	22,331
8	Uncollectibles	<u>(66,595)</u>	<u>(72,324)</u>	<u>(74,510)</u>
9	Total operating revenues	<u>20,002,866</u>	<u>21,000,296</u>	<u>22,050,146</u>
<u>Fairways Water</u>				
11	Service revenues	\$1,987,241	\$2,086,603	\$2,190,933
12	Late payment fees	3,295	3,478	3,728
	Miscellaneous revenues	99,955	99,955	99,955
13	Uncollectibles	<u>(8,901)</u>	<u>(9,397)</u>	<u>(10,072)</u>
14	Total operating revenues	<u>2,081,590</u>	<u>2,180,639</u>	<u>2,284,545</u>
<u>Fairways Sewer</u>				
16	Service revenues	\$2,807,609	\$2,846,793	\$2,989,133
17	Late payment fees	3,127	3,170	3,437
	Miscellaneous revenues	40	40	40
18	Uncollectibles	<u>(9,337)</u>	<u>(9,467)</u>	<u>(10,264)</u>
19	Total operating revenues	<u>2,801,439</u>	<u>2,840,536</u>	<u>2,982,345</u>
<u>Brookwood Water</u>				
21	Service revenues	\$8,110,636	\$8,516,168	\$8,941,976
22	Late payment fees	28,794	30,511	32,248
	Miscellaneous revenues	361,152	361,152	361,152
23	Uncollectibles	<u>(151,751)</u>	<u>(160,796)</u>	<u>(169,949)</u>
24	Total operating revenues	<u>8,348,831</u>	<u>8,747,035</u>	<u>9,165,427</u>

Aqua North Carolina, Inc.

Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1

Schedule 3-(a)(2)-RY

STATUTORY REVENUE CAP ADJUSTMENT

For The Rate Year 1 - Rate Year 3 Ended December 31, 2025

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 1 (a)</u>	<u>Rate Year 2 (b)</u>	<u>Rate Year 3 (c)</u>
<u>Aqua Water</u>				
1	Annual Service Revenue Percentage Increase	7.70%	4.90%	4.40%
2	Statutory Cap	N/A	5.00%	5.00%
3	Public Staff Calculated Service Revenue	46,163,567	48,425,762	50,556,155
4	Service Revenue Allowed at Statutory Cap	<u>46,163,567</u>	<u>48,471,745</u>	<u>50,847,050</u>
5	Adjustment to Statutory Cap (L4 - L3)	<u>0</u>	<u>0</u>	<u>0</u>
<u>Aqua Sewer</u>				
6	Annual Service Revenue Percentage Increase	8.77%	8.60%	3.02%
7	Statutory Cap	N/A	5.00%	5.00%
8	Public Staff Calculated Service Revenue	20,024,828	21,747,637	22,405,031
9	Service Revenue Allowed at Statutory Cap	<u>20,024,828</u>	<u>21,026,069</u>	<u>22,077,373</u>
10	Adjustment to Statutory Cap (L9 - L8)	<u>0</u>	<u>(721,568)</u>	<u>(327,658)</u>
<u>Fairways Water</u>				
11	Annual Service Revenue Percentage Increase	39.89%	5.57%	7.19%
12	Statutory Cap	N/A	5.00%	5.00%
13	Public Staff Calculated Service Revenue	1,987,241	2,097,948	2,248,713
14	Service Revenue Allowed at Statutory Cap	<u>1,987,241</u>	<u>2,086,603</u>	<u>2,190,933</u>
15	Adjustment to Statutory Cap (L14 - L13)	<u>0</u>	<u>(11,345)</u>	<u>(57,780)</u>
<u>Fairways Sewer</u>				
16	Annual Service Revenue Percentage Increase	1.14%	1.40%	8.41%
17	Statutory Cap	N/A	5.00%	5.00%
18	Public Staff Calculated Service Revenue	2,807,609	2,846,793	3,086,260
19	Service Revenue Allowed at Statutory Cap	<u>2,807,609</u>	<u>2,947,989</u>	<u>2,989,133</u>
20	Adjustment to Statutory Cap (L19 - L18)	<u>0</u>	<u>0</u>	<u>(97,127)</u>
<u>Brookwood Water</u>				
21	Annual Service Revenue Percentage Increase	12.67%	5.96%	5.69%
22	Statutory Cap	N/A	5.00%	5.00%
23	Public Staff Calculated Service Revenue	8,110,636	8,594,076	9,083,303
24	Service Revenue Allowed at Statutory Cap	<u>8,110,636</u>	<u>8,516,168</u>	<u>8,941,976</u>
25	Adjustment to Statutory Cap (L24- L23)	<u>0</u>	<u>(77,908)</u>	<u>(141,327)</u>
	[1] Rate Year 1 plus Rate Year 1 times 5%	0	(810,821)	(623,892)
	[2] Rate Year 2 plus Rate Year 2 times 5%			
	[3] Statutory limit at 5% Rate Year 2 cap.			

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
ADJUSTMENT TO MISCELLANEOUS REVENUES
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-1-RY1

Line No.	Item	<u>Rate Year 1</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$ 750,388	\$2,074	\$102,925	\$0	\$371,481
2	Adjustment from enginner		0	0	0	0
3	Adjustment from accounting	<u>30,985 [1]</u>	<u>20,257 [1]</u>	<u>(2,970) [1]</u>	<u>40 [1]</u>	<u>(10,329) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u><u>\$781,373</u></u>	<u><u>\$22,331</u></u>	<u><u>\$99,955</u></u>	<u><u>\$40</u></u>	<u><u>\$361,152</u></u>

[1] Recommended by Public Staff accounting

Aqua North Carolina, Inc.
 Contractual services - engineering
ADJUSTMENT TO MISCELLANEOUS REVENUES
 For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-1-RY2

<u>Line No.</u>	<u>Item</u>	<u>Rate Year 2</u>				
		<u>Aqua Water</u> (a)	<u>Aqua Sewer</u> (b)	<u>Fairways Water</u> (c)	<u>Fairways Sewer</u> (d)	<u>Brookwood Water</u> (e)
1	Amount per Company	\$ 790,875	(\$58,232)	\$106,005	\$0	\$382,192
2	Adjustment from enginner	0	0	0	0	0
3	Adjustment from accounting	<u>(9,502) [1]</u>	<u>80,563 [1]</u>	<u>(6,050) [1]</u>	<u>40 [1]</u>	<u>(21,040) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u><u>\$781,373</u></u>	<u><u>\$22,331</u></u>	<u><u>\$99,955</u></u>	<u><u>\$40</u></u>	<u><u>\$361,152</u></u>

[1] Recommended by Public Staff accounting

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
ADJUSTMENT TO MISCELLANEOUS REVENUES
 For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-1-RY3

Line No.	Item	Rate Year 3				
		Aqua Water (a)	Aqua Sewer (b)	Fairways Water (c)	Fairways Sewer (d)	Brookwood Water (e)
1	Amount per Company	\$ 811,328	(\$62,141)	\$109,199	\$0	\$393,300
2	Adjustment from engineer	0	0	0	0	0
3	Adjustment from accounting	<u>(29,955) [1]</u>	<u>84,472 [1]</u>	<u>(9,244) [1]</u>	<u>40 [1]</u>	<u>(32,148) [1]</u>
4	Amount per Public Staff (Sum of L1 thru L3)	<u><u>\$781,373</u></u>	<u><u>\$22,331</u></u>	<u><u>\$99,955</u></u>	<u><u>\$40</u></u>	<u><u>\$361,152</u></u>

[1] Recommended by Public Staff accounting

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(a)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Page 1 of 3

AQUA WATER OPERATIONS

Line No.	Item	Sch Ref.	Rate Year 1								
			Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjustment per Public Staff [6]		
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(d)*(1+(e))	(f)-(c)
O&M and G&A Expense											
1	Salaries and wages		\$ 8,261,575	3.00%	\$ 8,509,423	\$ 7,140,877	3.00%	\$ 7,355,104	\$	(1,154,319)	
2	Employee pensions and benefits		2,880,426	3.01%	2,967,136	2,067,813	3.00%	2,129,848		(837,288)	
3	Purchased water		2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274		(167,914)	
4	Purchased power		2,426,141	3.04%	2,499,897	2,435,480	3.04%	2,509,520		9,623	
5	Fuel for power production	per Public Staff engineer	1,754	3.02%	1,807	604		604		(1,203)	
6	Chemicals		489,754	3.04%	504,642	786,581	3.04%	810,492		305,850	
7	Materials and supplies		491,362	3.04%	506,299	476,863	3.04%	491,359		(14,940)	
8	Testing fees		714,295	3.04%	736,010	693,221	3.04%	714,295		(21,715)	
9	Transportation	per Public Staff engineer	1,455,375	0.82%	1,467,316	1,096,275		1,107,918	Thi	(359,398)	
10	Contractual services - engineering		417	3.12%	430	405	3.12%	418		(12)	
11	Contractual services - accounting		147,827	3.04%	152,321	118,299	3.04%	121,895		(30,426)	
12	Contractual services - legal		175,759	3.04%	181,102	163,875	3.04%	168,857		(12,245)	
13	Contractual services - management fees		0	0.00%	0	0	0.00%	0		0	
14	Contractual services - other		2,368,777	3.04%	2,440,786	2,298,893	3.04%	2,368,778		(72,008)	
15	Rent		263,096	3.04%	271,095	255,334	3.04%	263,097		(7,998)	
16	Insurance		964,057	3.04%	993,363	688,521	3.04%	709,451		(283,912)	
17	Advertising		0	5.00%	0	0	0	0		0	
18	Regulatory commission expense	Schedule 3-13-RY1 to RY3	381,034	0.00%	381,034	366,658		73,495		(307,539)	
19	Miscellaneous expense		1,035,753	3.04%	1,067,240	1,005,200	3.04%	1,035,758		(31,482)	
20	Interest on customer deposits		19,080	0.00%	19,080	19,080	0.00%	19,080		0	
21	Annualization & consumption adjustments		(73,159)	3.19%	(75,495)	0	0.00%	0		75,495	
22	Non-recurring COVID expenses		0	0.00%	0	(76,993)	0.00%	0		0	
23	Contra-OH Allocations		(1,633,450)	3.04%	(1,683,106)	(307,280)	3.04%	(316,621)		1,366,485	
24	Depreciation and amortization expense	Schedule 3-17-RY1 to RY3	8,480,202	12.23%	9,517,070	7,495,403		8,745,279		(771,791)	
25	Property taxes		586,039	6.72%	625,440	586,039	6.72%	625,440		0	
26	Payroll taxes		742,787	-17.73%	611,127	514,143	3.00%	529,567		(81,560)	
27	Other taxes		174,357	52.79%	266,407	174,357	0.00%	174,357		(92,050)	
28	Benefit costs - Pension		(17,445)	0.01%	(17,446)	(17,445)	3.00%	(17,968)		(522)	
29	Regulatory fee	operating revenue times 0.14%	54,246	23.21%	66,838	60,931		65,541		(1,297)	
30	Deferred income tax		0	0.00%	0	(74,576)	0.00%	(74,576)		(74,576)	
31	State income tax	Schedule 3-18-RY(a) to RY(e)	314,211	4.52%	328,399	244,658		274,422		(53,977)	
32	Federal income tax	Schedule 3-18-RY(a) to RY(e)	2,573,388	4.52%	2,689,589	2,003,752		2,247,516		(442,073)	
33	Total O&M and G&A Expense Adjustment		35,956,845		37,706,992	32,728,240		34,644,198		(3,062,794)	

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).
 [4] Growth Factor agree with Company, unless otherwise footnoted.
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
 [6] Column (f) minus Column (c), unless other wise footnoted.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
**OPERATING & MAINTENANCE EXPENSE
 ADJUSTMENT SUMMARY**

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(a)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 2							
		Rate year 1 Amount Per Company	Growth Factor Per Company	Rate Year 2 Amount per Company	Rate Year 1 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 2 Amount per Public Staff		
		(a)	(b)	(c)	(d)	(e)	(f)		
		[1]	[2]	[1]	[3]	[4]	[5]	[6]	
			((c)-(a))/(a)				(d)*((1)+(e))	(f)-(c)	
O&M and G&A Expense									
1	Salaries and wages	\$ 8,509,423	3.00%	\$ 8,764,705	\$ 7,355,104	3.00%	\$ 7,575,758	(1,188,947)	
2	Employee pensions and benefits	2,967,136	3.01%	3,056,450	2,129,848	3.00%	2,193,743	(862,707)	
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)	
4	Purchased power	2,499,897	3.04%	2,575,894	2,509,520	3.04%	2,585,811	9,917	
5	Fuel for power production	1,807	3.04%	1,862	604		604	(1,258)	
6	Chemicals	504,642	3.04%	519,982	810,492	3.04%	835,130	315,148	
7	Materials and supplies	506,299	3.04%	521,690	491,359	3.04%	506,296	(15,394)	
8	Testing fees	736,010	3.04%	758,385	714,295	3.04%	736,010	(22,375)	
9	Transportation	1,467,316	0.84% [xx]	1,479,619	1,107,918		1,119,684	Thi (359,935)	
10	Contractual services - engineering	430	3.02%	443	418	3.12%	431	(12)	
11	Contractual services - accounting	152,321	3.04%	156,952	121,895	3.04%	125,601	(31,351)	
12	Contractual services - legal	181,102	3.04%	186,607	168,857	3.04%	173,990	(12,617)	
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0	
14	Contractual services - other	2,440,786	3.04%	2,514,985	2,368,778	3.04%	2,440,787	(74,198)	
15	Rent	271,095	3.04%	279,337	263,097	3.04%	271,096	(8,241)	
16	Insurance	993,363	3.04%	1,023,561	709,451	3.04%	731,017	(292,544)	
17	Advertising	0	0.00%	0	0	0.00%	-	0	
18	Regulatory commission expense	381,034	0.00%	381,034	73,495		73,495	(307,539)	
19	Miscellaneous expense	1,067,240	3.04%	1,099,683	1,035,758	3.04%	1,067,245	(32,438)	
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0	
21	Annualization & consumption adjustments	(75,495)	3.19%	(77,901)	0	0.00%	-	77,901	
22	Non-recurring COVID expenses	0			0	0.00%			
23	Contra-OH Allocations	(1,683,106)	3.04%	(1,734,273)	(316,621)	3.04%	(326,246)	1,408,027	
24	Depreciation and amortization expense	9,517,070	17.30%	11,163,917	8,745,279		9,554,498	(1,609,418)	
25	Property taxes	625,440	3.31%	646,123	625,440	3.31%	646,123	0	
26	Payroll taxes	611,127	3.00%	629,461	529,567	3.00%	545,454	(84,007)	
27	Other taxes	266,407	-8.52%	243,710	174,357	0.00%	174,357	(69,353)	
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(17,988)	3.00%	(18,507)	(1,061)	
29	Regulatory fee	66,838	6.70%	71,318	65,541		68,699	(2,619)	
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)	
31	State income tax	328,399	0.43%	329,826	274,422		290,249	(39,577)	
32	Federal income tax	2,689,589	0.43%	2,701,272	2,247,516		2,377,136	(324,136)	
33	Total O&M and G&A Expense Adjustment	<u>37,706,992</u>		<u>39,975,463</u>	<u>34,644,198</u>		<u>36,204,238</u>	<u>(3,771,226)</u>	

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sched
 [4] Growth Factor agree with Company, unless o
 [5] Public Staff Corrected WSIP Exhibit 1, Sched
 [6] Column (f) minus Column (c), unless other wi

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(a)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA WATER OPERATIONS

Line No.	Item	Rate Year 3							
		Rate year 2 Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 3 Amount per Company [1]	Rate Year 2 Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 3 Amount per Public Staff [5]	Rate year 3 Adjustment per Public Staff [6]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		((c)-(a))/(a)				(d)*((1+(e))		(f)-(c)	
O&M and G&A Expense									
1	Salaries and wages	\$ 8,764,705	3.00%	\$ 9,027,644	\$ 7,575,758	3.00%	\$ 7,803,031	(1,224,613)	
2	Employee pensions and benefits	3,056,450	3.01%	3,148,456	2,193,743	3.00%	2,259,555	(888,901)	
3	Purchased water	2,679,188	0.00%	2,679,188	2,511,274	0.00%	2,511,274	(167,914)	
4	Purchased power	2,575,894	3.04%	2,654,201	2,585,811	3.04%	2,664,421	10,220	
5	Fuel for power production	1,862	3.01%	1,918	604		604	(1,314)	
6	Chemicals	519,982	3.04%	535,788	835,130	3.04%	860,517	324,729	
7	Materials and supplies	521,690	3.04%	537,548	506,296	3.04%	521,687	(15,861)	
8	Testing fees	758,385	3.04%	781,440	736,010	3.04%	758,386	(23,054)	
9	Transportation	1,479,619	0.86%	1,492,296	1,119,684		1,131,576	(360,720)	
10	Contractual services - engineering	443	2.93%	456	431	3.12%	444	(12)	
11	Contractual services - accounting	156,952	3.04%	161,724	125,601	3.04%	129,419	(32,305)	
12	Contractual services - legal	186,607	3.04%	192,279	173,990	3.04%	179,279	(13,000)	
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-	
14	Contractual services - other	2,514,985	3.04%	2,591,439	2,440,787	3.04%	2,514,985	(76,454)	
15	Rent	279,337	3.04%	287,830	271,096	3.04%	279,338	(8,492)	
16	Insurance	1,023,561	3.04%	1,054,677	731,017	3.04%	753,239	(301,438)	
17	Advertising	0	0.00%	0	0	0.00%	-	-	
18	Regulatory commission expense	381,034	0.00%	381,034	73,495		73,495	(307,539)	
19	Miscellaneous expense	1,099,683	3.04%	1,133,108	1,067,245	3.04%	1,099,690	(33,418)	
20	Interest on customer deposits	19,080	0.00%	19,080	19,080	0.00%	19,080	0	
21	Annualization & consumption adjustments	(77,901)	3.18%	(80,381)	0	0.00%	-	80,381	
22	Non-recurring COVID expenses	0		0	0	0.00%	-	-	
23	Contra-OH Allocations	(1,734,273)	3.04%	(1,786,995)	(326,246)	3.04%	(336,164)	1,450,831	
24	Depreciation and amortization expense	11,163,917	7.05%	11,951,220	9,554,498		10,269,310	(1,681,910)	
25	Property taxes	646,123	3.31%	667,490	646,123	3.31%	667,490	(0)	
26	Payroll taxes	629,461	3.00%	648,345	545,454	3.00%	561,818	(86,527)	
27	Other taxes	243,710	-8.41%	223,211	174,357	0.00%	174,357	(48,854)	
28	Benefit costs - Pension	(17,446)	0.00%	(17,446)	(18,507)	3.00%	(19,063)	(1,617)	
29	Regulatory fee	71,318	4.29%	74,381	68,699		71,673	(2,708)	
30	Deferred income tax	0	0.00%	0	(74,576)	0.00%	(74,576)	(74,576)	
31	State income tax	329,826	-2.75%	320,755	290,249		305,043	(15,712)	
32	Federal income tax	2,701,272	8.33%	2,926,354	2,377,136		2,498,305	(428,049)	
33	Total O&M and G&A Expense Adjustment	<u>39,975,463</u>		<u>41,607,038</u>	<u>36,204,238</u>		<u>37,678,213</u>	<u>(3,928,826)</u>	

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sched
 [4] Growth Factor agree with Company, unless o
 [5] Public Staff Corrected WSIP Exhibit 1, Sched
 [6] Colume (f) minus Column (c), unless other wi

**OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjustment per Public Staff [6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		(c)-(a)/(a)				(d)*(1+(e))	(f)-(c)	
O&M and G&A Expense								
1	Salaries and wages	\$ 2,640,569	3.00%	\$ 2,719,786	\$ 2,331,863	3.00%	\$ 2,401,819	\$ (317,967)
2	Employee pensions and benefits	848,387	3.01%	873,920	680,429	3.00%	700,842	(173,078)
3	Purchased sewer treatment	896,578	3.04%	923,834	734,804	3.04%	757,142	(166,692)
4	Sludge removal	667,903	3.04%	688,207	654,834	3.04%	674,741	(13,466)
5	Purchased power	1,115,877	3.04%	1,149,801	1,138,835	3.04%	1,173,457	23,656
6	Fuel for power production	40,855	3.04%	42,097	26,908		26,908	(15,189)
7	Chemicals	613,724	3.04%	632,381	941,990	3.04%	970,626	338,245
8	Materials and supplies	132,819	3.04%	136,857	128,900	3.04%	132,819	(4,038)
9	Testing fees	233,369	3.04%	240,464	226,483	3.04%	233,369	(7,095)
10	Transportation	424,078	0.77%	427,361	317,503		320,875	(106,486)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	0
12	Contractual services - accounting	41,009	3.04%	42,256	32,732	3.04%	33,727	(8,529)
13	Contractual services - legal	121,434	3.04%	125,126	116,190	3.04%	119,723	(5,403)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	0
15	Contractual services - other	1,822,192	3.04%	1,877,589	1,768,429	3.04%	1,822,192	(55,397)
16	Rent	58,848	3.04%	60,637	57,111	3.04%	58,847	(1,790)
17	Insurance	278,916	3.04%	287,395	202,892	3.04%	209,060	(78,335)
18	Advertising	-	5.00%	0	0	5.00%	0	0
19	Regulatory commission expense	100,611	0.00%	100,611	108,046	0.00%	21,657	(78,954)
20	Miscellaneous expense	341,787	3.04%	352,174	331,703	3.04%	341,784	(10,390)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0
22	Annualization & consumption adjustments	69,624	1.52%	70,679	0	1.52%	0	(70,679)
23	Non-recurring COVID expenses	-	0.00%	0	(17,741)	0.00%	0	0
24	Contra-OH Allocations	(283,235)	3.04%	(291,848)	(72,622)	3.04%	(74,831)	217,017
25	Depreciation and amortization expense	3,176,269	14.87%	3,648,676	2,805,236		3,305,881	(342,795)
26	Property taxes	15,405	6.72%	16,440	15,405	6.72%	16,440	0
27	Payroll taxes	220,186	3.00%	226,792	170,226	3.00%	175,333	(51,459)
28	Other taxes	48,289	-2.14%	47,253	48,289		48,289	1,036
29	Benefit costs - Pension	(4,819)	0.00%	(4,819)	(4,819)	3.00%	(4,964)	(145)
30	Regulatory fee	27,709	4.70%	29,012	25,750		28,004	(1,008)
31	Deferred income tax	-	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	145,994	2.89%	150,212	106,175		122,286	(27,926)
33	Federal income tax	1,195,693	2.89%	1,230,236	869,570		1,001,521	(228,715)
34	Total O&M and G&A Expense Adjustment	<u>14,990,491</u>		<u>15,803,549</u>	<u>13,724,594</u>		<u>14,597,020</u>	<u>(1,206,529)</u>

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).
 [4] Growth Factor agree with Company, unless otherwise footnoted.
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
 [6] Colome (f) minus Column (c), unless other wise footnoted.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-2(b)- RY

**OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY**

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 2						
		Rate year 1 Amount Per Company	Growth Factor Per Company	Rate Year 2 Amount per Company	Rate Year 1 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 2 Amount per Public Staff	Rate year 2 Adjstment per Public Staff
		(a)	[1] (b) (c)-(a)/(a) [2]	(c)	(d)	(e)	(f) (d)*(1+(e)) [5]	(g) (f)-(c) [6]
O&M and G&A Expense								
1	Salaries and wages	\$ 2,719,786	3.00%	\$ 2,801,380	\$ 2,401,819	3.00%	\$ 2,473,873	\$ (327,507)
2	Employee pensions and benefits	873,920	3.01%	900,223	700,842	3.00%	721,868	(178,355)
3	Purchased sewer treatment	923,834	3.04%	951,919	757,142	3.04%	780,159	(171,760)
4	Sludge removal	688,207	3.04%	709,128	674,741	3.04%	695,253	(13,875)
5	Purchased power	1,149,801	3.04%	1,184,755	1,173,457	3.04%	1,209,132	24,377
6	Fuel for power production	42,097	3.04%	43,377	26,908		26,908	(16,469)
7	Chemicals	632,381	3.04%	651,605	970,626	3.04%	1,000,132	348,527
8	Materials and supplies	136,857	3.04%	141,017	132,819	3.04%	136,857	(4,160)
9	Testing fees	240,464	3.04%	247,774	233,369	3.04%	240,464	(7,310)
10	Transportation	427,361	0.79%	430,742	320,875		324,283	(106,459)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	0
12	Contractual services - accounting	42,256	3.04%	43,541	33,727	3.04%	34,753	(8,788)
13	Contractual services - legal	125,126	3.04%	128,930	119,723	3.04%	123,363	(5,567)
14	Contractual services - management fees	0	0.00%	0	0	0.00%	-	0
15	Contractual services - other	1,877,589	3.04%	1,934,668	1,822,192	3.04%	1,871,971	(62,697)
16	Rent	60,637	3.04%	62,478	58,847	3.04%	60,636	(1,842)
17	Insurance	287,395	3.04%	296,131	209,060	3.04%	215,415	(80,716)
18	Advertising	0	0.00%	0	0	5.00%	-	0
19	Regulatory commission expense	100,611	0.00%	100,611	21,657	0.00%	21,657	(78,954)
20	Miscellaneous expense	352,174	3.04%	362,880	341,784	3.04%	352,170	(10,710)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	0
22	Annualization & consumption adjustments	70,679	1.54%	71,767	0	1.52%	-	(71,767)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	0
24	Contra-OH Allocations	(291,848)	3.04%	(300,720)	(74,831)	3.04%	(77,106)	223,614
25	Depreciation and amortization expense	3,648,676	13.64%	4,146,264	3,305,881		3,780,399	(365,865)
26	Property taxes	16,440	3.31%	16,984	16,440	3.31%	16,984	0
27	Payroll taxes	226,792	3.00%	233,595	175,333	3.00%	180,593	(53,003)
28	Other taxes	47,253	-1.15%	46,709	48,289		48,289	1,580
29	Benefit costs - Pension	(4,819)	-0.02%	(4,818)	(4,964)	3.00%	(5,112)	(294)
30	Regulatory fee	29,012	6.94%	31,026	28,004		30,411	(616)
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	150,212	2.29%	153,654	122,286		140,147	(13,507)
33	Federal income tax	1,230,236	2.29%	1,258,427	1,001,521		1,147,808	(110,619)
34	Total O&M and G&A Expense Adjustment	<u>15,803,549</u>		<u>16,644,467</u>	<u>14,597,020</u>		<u>15,530,779</u>	<u>(1,113,688)</u>

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 [2] Company proposed growth factor.
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 [6] Colume (f) minus Column (c), unless other wi

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-2(b)- RY

**OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY**

Page 3 of 3

For The Rate Year 1 - Rate Year 3 Ended December 31,

AQUA SEWER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company	Growth Factor Per Company	Rate Year 3 Amount per Company	Rate Year 2 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 3 Amount per Public Staff	Rate year 3 Adjstment per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		(a)	((c)-(a))/(a)			(d)*(1+(e))	(f)-(c)	
O&M and G&A Expense								
1	Salaries and wages	\$ 2,801,380	3.00%	\$ 2,885,422	\$ 2,473,873	3.00%	\$ 2,548,089	(337,333)
2	Employee pensions and benefits	900,223	3.01%	927,313	721,868	3.00%	743,524	(183,789)
3	Purchased sewer treatment	951,919	3.04%	980,857	780,159	3.04%	803,876	(176,981)
4	Sludge removal	709,128	3.04%	730,685	695,253	3.04%	716,389	(14,296)
5	Purchased power	1,184,755	3.04%	1,220,771	1,209,132	3.04%	1,245,891	25,120
6	Fuel for power production	43,377	3.04%	44,696	26,908		26,908	(17,788)
7	Chemicals	651,605	3.04%	671,413	1,000,132	3.04%	1,030,536	359,123
8	Materials and supplies	141,017	3.04%	145,303	136,857	3.04%	141,018	(4,285)
9	Testing fees	247,774	3.04%	255,306	240,464	3.04%	247,774	(7,532)
10	Transportation	430,742	0.81%	434,225	324,283		327,727	(106,498)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
12	Contractual services - accounting	43,541	3.04%	44,864	34,753	3.04%	35,809	(9,055)
13	Contractual services - legal	128,930	3.04%	132,850	123,363	3.04%	127,113	(5,737)
14	Contractual services - management fees	0	0.00%	(1)	0	0.00%	-	1
15	Contractual services - other	1,934,668	3.04%	1,993,484	1,871,971	3.04%	1,794,071	ne (199,413)
16	Rent	62,478	3.04%	64,378	60,636	3.04%	62,480	(1,898)
17	Insurance	296,131	3.04%	305,132	215,415	3.04%	221,964	(83,168)
18	Advertising	0	0.00%	0	0	5.00%	-	-
19	Regulatory commission expense	100,611	0.00%	100,611	21,657	0.00%	21,657	(78,954)
20	Miscellaneous expense	362,880	3.04%	373,917	352,170	3.04%	362,873	(11,044)
21	Interest on customer deposits	419	0.00%	419	419	0.00%	419	-
22	Annualization & consumption adjustments	71,767	1.56%	72,888	0	1.52%	-	(72,888)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
24	Contra-OH Allocations	(300,720)	3.04%	(309,861)	(77,106)	3.04%	(79,451)	230,410
25	Depreciation and amortization expense	4,146,264	8.73%	4,508,315	3,780,399		4,044,094	(464,220)
26	Property taxes	16,984	3.31%	17,546	16,984	3.31%	17,546	-
27	Payroll taxes	233,595	3.00%	240,603	180,593	3.00%	186,011	(54,593)
28	Other taxes	46,709	-1.20%	46,147	48,289	0.00%	48,289	2,142
29	Benefit costs - Pension	(4,818)	0.00%	(4,818)	(5,112)	3.00%	(5,266)	(448)
30	Regulatory fee	31,026	5.45%	32,718	30,411		31,329	(1,389)
31	Deferred income tax	0	0.00%	0	(20,946)	0.00%	(20,946)	(20,946)
32	State income tax	153,654	-4.97%	146,024	140,147		144,268	(1,756)
33	Federal income tax	1,258,427	5.86%	1,332,224	1,147,808		1,181,559	(150,665)
34	Total O&M and G&A Expense Adjustment	16,644,467		17,393,432	15,530,779		16,005,551	(1,387,881)

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
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 [6] Colume (f) minus Column (c), unless other wi

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 1								
		Base Year Amount Per Company [1]	Growth Factor Per Company [2]	Rate Year 1 Amount per Company [1]	Base Year Amount per Public Staff [3]	Growth Factor Per Public Staff [4]	Rate Year 1 Amount per Public Staff [5]	Rate year 1 Adjstment per Public Staff [6]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		(c)-(a)/(a)				(d)*(1+(e))		(f)-(c)		
O&M and G&A Expense										
1	Salaries and wages	\$ 344,194	3.00%	\$ 354,516	\$ 299,517	3.00%	\$ 308,499	\$ (46,017)		
2	Employee pensions and benefits	109,950	3.02%	113,272	85,642	3.00%	88,212	(25,060)		
3	Purchased water	329	0.00%	329	0	0.00%	0	(329)		
4	Purchased power	92,920	3.04%	95,744	89,160	3.04%	91,870	(3,874)		
5	Fuel for power production	0	0.00%	0	951	0.00%	951	951		
6	Chemicals	29,896	3.04%	30,805	54,914	3.04%	56,583	25,778		
7	Materials and supplies	18,177	3.05%	18,731	17,640	3.04%	18,176	(555)		
8	Testing fees	21,985	3.04%	22,653	21,336	3.04%	21,984	(669)		
9	Transportation	46,879	0.84%	47,275	35,443		35,819	(11,456)		
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	0		
11	Contractual services - accounting	11,479	3.04%	11,828	9,168	3.04%	9,446	(2,382)		
12	Contractual services - legal	13,257	3.04%	13,660	10,903	3.04%	11,234	(2,426)		
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	0		
14	Contractual services - other	175,389	3.04%	180,701	170,197	3.04%	175,372	(5,329)		
15	Rent	18,925	3.04%	19,501	18,367	3.04%	18,926	(575)		
16	Insurance	50,511	3.04%	52,048	53,747	3.04%	55,382	3,334		
17	Advertising	0	5.00%	0	0	5.00%	0	0		
18	Regulatory commission expense	29,079	0.00%	29,079	28,622	0.00%	5,737	(23,342)		
19	Miscellaneous expense	52,737	3.04%	54,338	51,183	3.04%	52,737	(1,601)		
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0		
21	Annualization & consumption adjustments	(2,736)	3.15%	(2,822)	0	3.15%	0	2,822		
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	0		
23	Contra-OH Allocations	(43,937)	3.04%	(45,271)	(8,194)	3.04%	(8,443)	36,828		
24	Depreciation and amortization expense	229,011	39.86%	320,284	143,620		274,643	(45,641)		
25	Property taxes	30,479	6.72%	32,528	30,479	6.72%	32,528	0		
26	Payroll taxes	28,302	-11.40%	25,074	21,376	3.00%	22,017	(3,057)		
27	Other taxes	13,519	7.89%	14,585	13,519		13,519	(1,066)		
28	Benefit costs - Pension	(1,351)	-0.07%	(1,350)	(1,351)	3.00%	(1,392)	(42)		
29	Regulatory fee	1,747	62.54%	2,839	2,123		2,914	75		
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)		
31	State income tax	14,795	16.08%	17,174	6,988		14,900	(2,274)		
32	Federal income tax	121,172	16.08%	140,655	57,231		122,033	(18,622)		
33	Total O&M and G&A Expense Adjustment	<u>1,407,083</u>		<u>1,548,572</u>	<u>1,207,124</u>		<u>1,418,193</u>	<u>(130,380)</u>		

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
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 [4] Growth Factor agree with Company, unless otherwise footnoted.
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
 [6] Colome (f) minus Column (c), unless other wise footnoted.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 2						
		Rate year 1 Amount Per Company	Growth Factor Per Company	Rate Year 2 Amount per Company	Rate Year 1 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 2 Amount per Public Staff	Rate year 2 Adjustmt per Public Staff
		(a)	[1] (b) ((c)-(a))/(a)	(c)	[1] (d)	[3] (e)	[4] (f) (d)*((1+(e)))	[5] (g) (f)-(c)
O&M and G&A Expense								
1	Salaries and wages	\$ 354,516	3.00%	\$ 365,152	\$ 308,499	3.00%	\$ 317,755	\$ (47,397)
2	Employee pensions and benefits	113,272	3.02%	116,694	86,212	3.00%	90,858	(25,836)
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)
4	Purchased power	95,744	3.04%	98,655	91,870	3.04%	94,663	(3,992)
5	Fuel for power production	-	0.00%	0	951		951	951
6	Chemicals	30,805	3.04%	31,741	56,583	3.04%	58,302	26,561
7	Materials and supplies	18,731	3.04%	19,301	18,176	3.04%	18,729	(572)
8	Testing fees	22,653	3.04%	23,342	21,984	3.04%	22,653	(689)
9	Transportation	47,275	0.86%	47,683	35,819		36,199	(11,484)
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0
11	Contractual services - accounting	11,828	3.04%	12,187	9,446	3.04%	9,733	(2,454)
12	Contractual services - legal	13,660	3.04%	14,075	11,234	3.04%	11,576	(2,499)
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0
14	Contractual services - other	180,701	3.04%	186,192	175,372	3.04%	180,701	(5,491)
15	Rent	19,501	3.04%	20,094	18,926	3.04%	19,502	(592)
16	Insurance	52,048	3.04%	53,631	55,382	3.04%	57,067	3,436
17	Advertising	-	0.00%	0	0	0.00%	-	0
18	Regulatory commission expense	29,079	0.00%	29,079	5,737	0.00%	5,737	(23,342)
19	Miscellaneous expense	54,338	3.03%	55,985	52,737	3.03%	54,335	(1,650)
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	0
21	Annualization & consumption adjustments	(2,822)	3.14%	(2,911)	0	3.14%	-	2,911
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0
23	Contra-OH Allocations	(45,271)	3.04%	(46,646)	(8,443)	3.04%	(8,699)	37,947
24	Depreciation and amortization expense	320,284	34.04%	429,316	274,643		318,062	(111,254)
25	Property taxes	32,528	3.31%	33,604	32,528	3.31%	33,604	0
26	Payroll taxes	25,074	3.00%	25,827	22,017	3.00%	22,678	(3,149)
27	Other taxes	14,585	-7.86%	13,439	13,519		13,519	80
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,392)	3.00%	(1,433)	(83)
29	Regulatory fee	2,839	12.86%	3,205	2,914		3,069	(136)
30	Deferred income tax	-	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)
31	State income tax	17,174	-8.07%	15,789	14,900		15,607	(182)
32	Federal income tax	140,655	-8.07%	129,309	122,033		127,819	(1,490)
33	Total O&M and G&A Expense Adjustment	<u>1,548,572</u>		<u>1,674,116</u>	<u>1,418,193</u>		<u>1,497,529</u>	<u>(176,587)</u>

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 [4] Growth Factor agree with Company, unless o
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 [6] Colume (f) minus Column (c), unless other wi

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(c)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS WATER OPERATIONS

Line No.	Item	Rate Year 3							
		Rate year 2	Growth Factor	Rate Year 3	Rate Year 2	Growth Factor	Rate Year 3		
		Amount Per Company [1]	Per Company [2]	Amount per Company [1]	Amount per Public Staff [3]	Per Public Staff [4]	Amount per Public Staff [5]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
			((c)-(a))/(a)				(d)*((1+(e))	(f)-(c)	
O&M and G&A Expense									
1	Salaries and wages	\$ 365,152	3.00%	\$ 376,107	\$ 317,755	3.00%	\$ 327,288	(48,819)	
2	Employee pensions and benefits	116,694	3.02%	120,216	90,858	3.00%	93,584	(26,632)	
3	Purchased water	329	0.00%	329	0	0.00%	-	(329)	
4	Purchased power	98,655	3.04%	101,654	94,663	3.04%	97,541	(4,113)	
5	Fuel for power production	0	0.00%	0	951		951	951	
6	Chemicals	31,741	3.04%	32,706	58,302	3.04%	60,075	27,369	
7	Materials and supplies	19,301	3.04%	19,887	18,729	3.04%	19,298	(589)	
8	Testing fees	23,342	3.04%	24,052	22,653	3.04%	23,342	(710)	
9	Transportation	47,683	0.89%	48,105	36,199		36,584	(11,521)	
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-	
11	Contractual services - accounting	12,187	3.04%	12,557	9,733	3.04%	10,028	(2,529)	
12	Contractual services - legal	14,075	3.04%	14,503	11,576	3.04%	11,928	(2,575)	
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-	
14	Contractual services - other	186,192	3.04%	191,854	180,701	3.04%	186,196	(5,658)	
15	Rent	20,094	3.04%	20,705	19,502	3.04%	20,095	(610)	
16	Insurance	53,631	3.04%	55,261	57,067	3.04%	58,801	3,540	
17	Advertising	0	0.00%	0	0	0.00%	-	-	
18	Regulatory commission expense	29,079	0.00%	29,079	5,737	0.00%	5,737	(23,342)	
19	Miscellaneous expense	55,985	3.04%	57,685	54,335	3.04%	55,985	(1,700)	
20	Interest on customer deposits	395	0.00%	395	395	0.00%	395	-	
21	Annualization & consumption adjustments	(2,911)	3.14%	(3,002)	0	3.14%	-	3,002	
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-	
23	Contra-OH Allocations	(46,646)	3.04%	(48,063)	(8,699)	3.04%	(8,964)	39,099	
24	Depreciation and amortization expense	429,316	10.09%	472,652	318,062		365,270	(107,381)	
25	Property taxes	33,604	3.31%	34,715	33,604	3.31%	34,715	-	
26	Payroll taxes	25,827	3.00%	26,601	22,678	3.00%	23,358	(3,243)	
27	Other taxes	13,439	-6.96%	12,504	13,519		13,519	1,015	
28	Benefit costs - Pension	(1,350)	0.00%	(1,350)	(1,433)	3.00%	(1,476)	(126)	
29	Regulatory fee	3,205	5.22%	3,372	3,069	5.22%	3,279	(93)	
30	Deferred income tax	0	0.00%	0	(5,851)	0.00%	(5,851)	(5,851)	
31	State income tax	15,789	-5.79%	14,874	15,607		16,976	2,102	
32	Federal income tax	129,309	4.94%	135,703	127,819		139,031	3,328	
33	Total O&M and G&A Expense Adjustment	<u>1,674,116</u>		<u>1,753,101</u>	<u>1,497,529</u>		<u>1,587,685</u>	<u>(165,416)</u>	

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Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(d)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

Page 1 of 3

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company	Growth Factor Per Company	Rate Year 1 Amount per Company	Base Year Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 1 Amount per Public Staff	Rate year 1 Adjustment per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		[1]	[2]	[1]	[3]	[4]	[5]	[6]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)				(d)*((1+(e))	(f)-(c)
	O&M and G&A Expense							
1	Salaries and wages	\$ 239,315	3.00%	\$ 246,493	\$ 208,395	3.00%	\$ 214,646	\$ (31,847)
2	Employee pensions and benefits	80,725	3.02%	83,160	60,799	3.00%	62,623	\$ (20,537)
3	Purchased sewer treatment	8,920	3.04%	9,191	7,678	3.04%	7,911	\$ (1,280)
4	Sludge removal	172,329	0.00%	177,568	187,147	0.00%	187,147	\$ 9,579
5	Purchased power	121,678	3.04%	125,378	123,402	3.04%	127,154	\$ 1,776
6	Fuel for power production	-	0.00%	0	353	0.00%	353	\$ 353
7	Chemicals	36,972	3.04%	38,096	57,109	3.04%	58,845	\$ 20,749
8	Materials and supplies	16,823	3.04%	17,334	16,327	3.04%	16,823	\$ (511)
9	Testing fees	13,165	0.00%	13,566	12,776	0.00%	12,776	\$ (790)
10	Transportation	35,742	0.81%	36,031	26,889	0.00%	27,174	\$ (8,857)
11	Contractual services - engineering	-	0.00%	0	0	0.00%	0	\$ -
12	Contractual services - accounting	7,181	0.00%	7,399	5,732	0.00%	5,732	\$ (1,667)
13	Contractual services - legal	8,601	3.03%	8,862	7,543	3.03%	7,772	\$ (1,090)
14	Contractual services - management fees	-	0.00%	0	0	0.00%	0	\$ -
15	Contractual services - other	161,338	3.04%	166,241	156,578	3.04%	161,336	\$ (4,905)
16	Rent	11,842	0.00%	12,202	11,492	0.00%	11,492	\$ (710)
17	Insurance	34,212	3.04%	35,253	33,379	3.04%	34,395	\$ (858)
18	Advertising	-	5.00%	0	0	5.00%	0	\$ -
19	Regulatory commission expense	18,527	0.00%	18,527	17,775	0.00%	3,563	\$ (14,964)
20	Miscellaneous expense	42,818	3.04%	44,119	41,557	3.04%	42,820	\$ (1,299)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	\$ -
22	Annualization & consumption adjustments	7,582	1.45%	7,692	0	1.45%	0	\$ (7,692)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -
24	Contra-OH Allocations	(36,850)	3.04%	(37,971)	(10,252)	3.04%	(10,563)	\$ 27,408
25	Depreciation and amortization expense	639,423	17.08%	748,639	504,903	3.04%	536,786	\$ (211,854)
26	Property taxes	2,634	6.74%	2,811	2,634	6.74%	2,811	\$ -
27	Payroll taxes	21,216	3.00%	21,852	15,004	3.00%	15,454	\$ (6,398)
28	Other taxes	8,461	-2.10%	8,284	8,461	0.00%	8,461	\$ 177
29	Benefit costs - Pension	(846)	0.00%	(846)	(846)	3.00%	(871)	\$ (25)
30	Regulatory fee	4,758	3.52%	4,925	3,878	0.00%	3,922	\$ (1,003)
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	\$ (3,659)
32	State income tax	38,314	0.00%	38,083	24,059	0.00%	23,730	\$ (14,353)
33	Federal income tax	313,791	-0.60%	311,900	197,047	0.00%	194,349	\$ (117,551)
34	Total O&M and G&A Expense Adjustment	<u>2,008,677</u>		<u>2,144,796</u>	<u>1,716,168</u>		<u>1,752,989</u>	<u>(391,807)</u>

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Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(d)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 2							
		Rate year 1	Growth Factor	Rate Year 2	Rate Year 1	Growth Factor	Rate Year 2	Rate year 2	
		Amount Per Company [1]	Per Company [2]	Amount per Company [1]	Amount per Public Staff [3]	Per Public Staff [4]	Amount per Public Staff [5]	Adjstment per Public Staff [6]	
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
		((c)-(a))/(a)				(d)*((1)+(e))		(f)-(c)	
O&M and G&A Expense									
1	Salaries and wages	\$ 246,493	3.00%	\$ 253,887	\$ 214,646	3.00%	\$ 221,084	\$ (32,803)	
2	Employee pensions and benefits	83,160	3.01%	85,665	62,623	3.00%	64,502	(21,163)	
3	Purchased sewer treatment	9,191	3.04%	9,470	7,911	3.04%	8,151	(1,319)	
4	Sludge removal	177,568	3.04%	182,966	187,147	3.04%	192,836	9,870	
5	Purchased power	125,378	3.04%	129,190	127,154	3.04%	131,020	1,830	
6	Fuel for power production	-	0.00%	0	353	0.00%	353	353	
7	Chemicals	38,096	3.04%	39,254	58,845	3.04%	60,634	21,380	
8	Materials and supplies	17,334	3.04%	17,861	16,823	3.04%	17,334	(527)	
9	Testing fees	13,566	3.04%	13,979	12,776	3.04%	13,165	(814)	
10	Transportation	36,031	0.82%	36,328	27,174	3.04%	27,463	(8,865)	
11	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0	
12	Contractual services - accounting	7,399	3.04%	7,624	5,732	3.04%	5,906	(1,718)	
13	Contractual services - legal	8,862	3.05%	9,132	7,772	3.05%	8,009	(1,123)	
14	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0	
15	Contractual services - other	166,241	3.04%	171,294	161,336	3.04%	166,240	(5,054)	
16	Rent	12,202	3.04%	12,573	11,492	3.04%	11,841	(732)	
17	Insurance	35,253	3.04%	36,326	34,395	3.04%	35,442	(884)	
18	Advertising	-	0.00%	0	0	0.00%	-	0	
19	Regulatory commission expense	18,527	0.00%	18,527	3,563	0.00%	3,563	(14,964)	
20	Miscellaneous expense	44,119	3.03%	45,456	42,820	3.03%	44,117	(1,339)	
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	0	
22	Annualization & consumption adjustments	7,692	1.48%	7,806	0	1.48%	-	(7,806)	
23	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0	
24	Contra-OH Allocations	(37,971)	3.04%	(39,125)	(10,563)	3.04%	(10,884)	28,241	
25	Depreciation and amortization expense	748,639	5.16%	787,297	536,786	3.04%	561,030	(226,268)	
26	Property taxes	2,811	3.31%	2,904	2,811	3.31%	2,904	0	
27	Payroll taxes	21,852	3.00%	22,507	15,454	3.00%	15,918	(6,590)	
28	Other taxes	8,284	-1.12%	8,191	8,461	3.00%	8,461	270	
29	Benefit costs - Pension	(846)	-0.12%	(845)	(871)	3.00%	(898)	(53)	
30	Regulatory fee	4,925	1.13%	4,981	3,922	3.00%	3,977	(1,004)	
31	Deferred income tax	-	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)	
32	State income tax	38,083	-1.23%	37,615	23,730	3.00%	23,457	(14,158)	
33	Federal income tax	311,900	-1.23%	308,068	194,349	3.00%	192,114	(115,954)	
34	Total O&M and G&A Expense Adjustment	<u>2,144,796</u>		<u>2,208,939</u>	<u>1,752,989</u>		<u>1,804,089</u>	<u>(404,850)</u>	

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Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(d)- RY

Page 3 of 3

For The Rate Year 1 - Rate Year 3 Ended December 31,

FAIRWAYS SEWER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company	Growth Factor Per Company	Rate Year 3 Amount per Company	Rate Year 2 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 3 Amount per Public Staff	Rate year 3 Adjstment per Public Staff
		(a)	[1] (b)	[1] (c)	[3] (d)	[4] (e)	[5] (f)	[6] (g)
		((c)-(a))/(a)		(d)*(1+(e))		(f)-(c)		
O&M and G&A Expense								
1	Salaries and wages	\$ 253,887	3.00%	\$ 261,505	\$ 221,084	3.00%	\$ 227,718	(33,787)
2	Employee pensions and benefits	85,665	3.02%	88,251	64,502	3.00%	66,437	(21,814)
3	Purchased sewer treatment	9,470	3.04%	9,758	8,151	3.04%	8,399	(1,359)
4	Sludge removal	182,966	3.04%	188,528	192,836	3.04%	198,698	10,170
5	Purchased power	129,190	3.04%	133,118	131,020	3.04%	135,004	1,886
6	Fuel for power production	0	0.00%	0	353	0.00%	353	353
7	Chemicals	39,254	3.04%	40,448	60,634	3.04%	62,478	22,030
8	Materials and supplies	17,861	3.04%	18,404	17,334	3.04%	17,861	(543)
9	Testing fees	13,979	3.04%	14,404	13,165	3.04%	13,565	(839)
10	Transportation	36,328	0.84%	36,634	27,463		27,755	(8,879)
11	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
12	Contractual services - accounting	7,624	3.04%	7,856	5,906	3.04%	6,086	(1,770)
13	Contractual services - legal	9,132	3.04%	9,410	8,009	3.04%	8,252	(1,158)
14	Contractual services - management fees	0	0.00%	1	0	0.00%	-	(1)
15	Contractual services - other	171,294	3.04%	176,502	166,240	3.04%	171,295	(5,207)
16	Rent	12,573	3.04%	12,955	11,841	3.04%	12,201	(754)
17	Insurance	36,326	3.04%	37,431	35,442	3.04%	36,520	(911)
18	Advertising	0	0.00%	0	0	0.00%	-	-
19	Regulatory commission expense	18,527	0.00%	18,527	3,563	0.00%	3,563	(14,964)
20	Miscellaneous expense	45,456	3.02%	46,831	44,117	3.02%	45,452	(1,379)
21	Interest on customer deposits	7	0.00%	7	7	0.00%	7	-
22	Annualization & consumption adjustments	7,806	1.50%	7,923	0	1.50%	-	(7,923)
23	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
24	Contra-OH Allocations	(39,125)	3.04%	(40,315)	(10,884)	3.04%	(11,215)	29,100
25	Depreciation and amortization expense	787,297	6.02%	834,716	561,030		634,076	(200,640)
26	Property taxes	2,904	3.31%	3,000	2,904	3.31%	3,000	-
27	Payroll taxes	22,507	3.00%	23,183	15,918	3.00%	16,395	(6,788)
28	Other taxes	8,191	-1.17%	8,095	8,461		8,461	366
29	Benefit costs - Pension	(845)	0.00%	(845)	(898)	3.00%	(924)	(79)
30	Regulatory fee	4,981	3.35%	5,148	3,977		4,311	(837)
31	Deferred income tax	0	0.00%	0	(3,659)	0.00%	(3,659)	(3,659)
32	State income tax	37,615	-7.76%	34,698	23,457		26,004	(8,694)
33	Federal income tax	308,068	2.76%	316,558	192,114		212,971	(103,587)
34	Total O&M and G&A Expense Adjustment	<u>2,208,939</u>		<u>2,292,730</u>	<u>1,804,089</u>		<u>1,931,066</u>	<u>(361,665)</u>

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sched
 [4] Growth Factor agree with Company, unless o
 [5] Public Staff Corrected WSIP Exhibit 1, Sched
 [6] Columne (f) minus Columne (c), unless other wi

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(e)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31, 2023-2025

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 1						
		Base Year Amount Per Company	Growth Factor Per Company	Rate Year 1 Amount per Company	Base Year Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 1 Amount per Public Staff	Rate year 1 Adjustment per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	O&M and G&A Expense		(c)-(a)/(a)			(d)*((f)+(e))	(f)-(c)	
1	Salaries and wages	\$ 904,084	3.00%	\$ 931,204	\$ 790,729	3.00%	\$ 814,449	\$ (116,755)
2	Employee pensions and benefits	289,258	3.02%	298,004	228,254	3.00%	235,102	\$ (62,902)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	\$ (1,005)
4	Purchased power	281,414	3.04%	289,969	271,555	3.04%	279,811	\$ (10,158)
5	Fuel for power production	1,348	3.04%	1,389	515	0.00%	515	\$ (874)
6	Chemicals	308,600	3.04%	317,982	469,046	3.04%	483,306	\$ 165,324
7	Materials and supplies	28,651	3.04%	29,521	24,664	3.04%	25,413	\$ (4,108)
8	Testing fees	70,146	3.04%	72,278	68,077	3.04%	70,146	\$ (2,132)
9	Transportation	128,620	1.04%	129,955	99,633		100,691	\$ (29,264)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	0	\$ -
11	Contractual services - accounting	32,608	3.04%	33,599	26,166	3.04%	26,962	\$ (6,637)
12	Contractual services - legal	37,934	3.04%	39,088	28,459	3.04%	29,325	\$ (9,763)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	0	\$ -
14	Contractual services - other	840,927	3.04%	866,489	816,115	3.04%	840,923	\$ (25,566)
15	Rent	30,744	3.04%	31,679	29,837	3.04%	30,744	\$ (935)
16	Insurance	137,873	3.04%	142,064	148,854	3.04%	153,379	\$ 11,315
17	Advertising	0	5.00%	0	0	5.00%	0	\$ -
18	Regulatory commission expense	84,231	0.00%	84,231	79,269	0.00%	15,889	\$ (68,342)
19	Miscellaneous expense	158,425	3.04%	163,237	153,750	3.04%	158,420	\$ (4,817)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	\$ -
21	Annualization & consumption adjustments	(6,053)	3.26%	(6,251)	0	3.26%	0	\$ 6,251
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	0	\$ -
23	Contra-OH Allocations	(108,414)	3.04%	(111,710)	(20,656)	3.04%	(21,284)	\$ 90,426
24	Depreciation and amortization expense	1,322,013	19.98%	1,586,158	1,121,832		1,409,474	\$ (176,684)
25	Property taxes	106,775	6.72%	113,954	106,775	6.72%	113,954	\$ -
26	Payroll taxes	74,191	-11.29%	65,815	55,707	3.00%	57,378	\$ (8,437)
27	Other taxes	38,482	8.09%	41,596	38,482		38,482	\$ (3,114)
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,853)	3.00%	(3,969)	\$ (116)
29	Regulatory fee	10,845	8.39%	11,756	10,431		11,688	\$ (67)
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	\$ (16,240)
31	State income tax	62,407	10.78%	69,135	49,132		59,347	\$ (9,788)
32	Federal income tax	511,116	10.78%	566,214	402,390		486,054	\$ (80,160)
33	Total O&M and G&A Expense Adjustment	<u>5,660,039</u>		<u>6,081,169</u>	<u>5,295,585</u>		<u>5,716,619</u>	<u>(364,550)</u>

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g).
 [4] Growth Factor agree with Company, unless otherwise footnoted.
 [5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a)(1), Column (c), unless otherwise footnoted.
 [6] Colome (f) minus Column (c), unless other wise footnoted.

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(e)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 2						
		Rate year 1	Growth Factor	Rate Year 2	Rate Year 1	Growth Factor	Rate Year 2	
		Amount Per Company [1]	Per Company [2]	Amount per Company [1]	Amount per Public Staff [3]	Per Public Staff [4]	Amount per Public Staff [5]	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((c)-(a))/(a)				(d)*((1+(e))	(f)-(c)
O&M and G&A Expense								
1	Salaries and wages	\$ 931,204	3.00%	\$ 959,138	\$ 814,449	3.00%	\$ 838,880	\$ (120,258)
2	Employee pensions and benefits	298,004	3.02%	307,007	235,102	3.00%	242,155	(64,852)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)
4	Purchased power	289,969	3.04%	298,784	279,811	3.04%	288,317	(10,467)
5	Fuel for power production	1,389	3.02%	1,431	515		515	(916)
6	Chemicals	317,982	3.04%	327,649	483,306	3.04%	497,999	170,350
7	Materials and supplies	29,521	3.04%	30,419	25,413	3.04%	26,186	(4,233)
8	Testing fees	72,278	3.04%	74,475	70,146	3.04%	72,278	(2,197)
9	Transportation	129,955	1.06%	131,332	100,691		101,761	(29,571)
10	Contractual services - engineering	-	0.00%	0	0	0.00%	-	0
11	Contractual services - accounting	33,599	3.04%	34,621	26,962	3.04%	27,782	(6,839)
12	Contractual services - legal	39,088	3.04%	40,276	29,325	3.04%	30,216	(10,060)
13	Contractual services - management fees	-	0.00%	0	0	0.00%	-	0
14	Contractual services - other	866,489	3.04%	892,832	840,923	3.04%	866,489	(26,343)
15	Rent	31,679	3.03%	32,640	30,744	3.03%	31,677	(963)
16	Insurance	142,064	3.04%	146,383	153,379	3.04%	158,042	11,659
17	Advertising	-	0.00%	0	0	0.00%	-	0
18	Regulatory commission expense	84,231	0.00%	84,231	15,889	0.00%	15,889	(68,342)
19	Miscellaneous expense	163,237	3.04%	168,199	158,420	3.04%	163,236	(4,963)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	0
21	Annualization & consumption adjustments	(6,251)	3.26%	(6,455)	0	3.26%	-	6,455
22	Non-recurring COVID expenses	-	0.00%	0	0	0.00%	-	0
23	Contra-OH Allocations	(111,710)	3.04%	(115,105)	(21,284)	3.04%	(21,931)	93,174
24	Depreciation and amortization expense	1,586,158	30.89%	2,076,136	1,409,474		1,554,545	(521,591)
25	Property taxes	113,954	3.31%	117,722	113,954	3.31%	117,722	0
26	Payroll taxes	65,815	3.00%	67,789	57,378	3.00%	59,099	(8,690)
27	Other taxes	41,596	-9.06%	37,828	38,482		38,482	654
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(3,969)	3.00%	(4,088)	(235)
29	Regulatory fee	11,756	11.97%	13,163	11,688		12,355	(809)
30	Deferred income tax	-	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)
31	State income tax	69,135	-23.72%	52,738	59,347		63,661	10,923
32	Federal income tax	566,214	-23.72%	431,920	486,054		521,387	89,467
33	Total O&M and G&A Expense Adjustment	<u>6,081,169</u>		<u>6,518,967</u>	<u>5,716,619</u>		<u>6,003,074</u>	<u>(515,893)</u>

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sched
 [4] Growth Factor agree with Company, unless o
 [5] Public Staff Corrected WSIP Exhibit 1, Sched
 [6] Colome (f) minus Column (c), unless other wi

Aqua North Carolina, Inc.
 Docket No. W-218, Sub 573
OPERATING & MAINTENANCE EXPENSE
ADJUSTMENT SUMMARY

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-2(e)- RY

For The Rate Year 1 - Rate Year 3 Ended December 31,

BROOKWOOD WATER OPERATIONS

Line No.	Item	Rate Year 3						
		Rate year 2 Amount Per Company	Growth Factor Per Company	Rate Year 3 Amount per Company	Rate Year 2 Amount per Public Staff	Growth Factor Per Public Staff	Rate Year 3 Amount per Public Staff	Rate year 3 Adjustment per Public Staff
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	O&M and G&A Expense		((c)-(a))/(a)			(d)*(1+(e))	(f)-(c)	
1	Salaries and wages	\$ 959,138	3.00%	\$ 987,909	\$ 838,880	3.00%	\$ 864,044	(123,865)
2	Employee pensions and benefits	307,007	3.02%	316,285	242,155	3.00%	249,420	(66,865)
3	Purchased water	312,747	0.00%	312,747	311,742	0.00%	311,742	(1,005)
4	Purchased power	298,784	3.04%	307,867	288,317	3.04%	297,082	(10,785)
5	Fuel for power production	1,431	3.00%	1,474	515		515	(959)
6	Chemicals	327,649	3.04%	337,609	497,999	3.04%	513,138	175,529
7	Materials and supplies	30,419	3.04%	31,345	26,186	3.04%	26,983	(4,362)
8	Testing fees	74,475	3.04%	76,739	72,278	3.04%	74,476	(2,263)
9	Transportation	131,332	1.08%	132,750	101,761		102,842	(29,908)
10	Contractual services - engineering	0	0.00%	0	0	0.00%	-	-
11	Contractual services - accounting	34,621	3.04%	35,674	27,782	3.04%	28,627	(7,047)
12	Contractual services - legal	40,276	3.04%	41,500	30,216	3.04%	31,134	(10,366)
13	Contractual services - management fees	0	0.00%	0	0	0.00%	-	-
14	Contractual services - other	892,832	3.04%	919,974	866,489	3.04%	892,830	(27,144)
15	Rent	32,640	3.04%	33,631	31,677	3.04%	32,639	(992)
16	Insurance	146,383	3.04%	150,832	158,042	3.04%	162,845	12,013
17	Advertising	0	0.00%	0	0	0.00%	-	-
18	Regulatory commission expense	84,231	0.00%	84,231	15,889	0.00%	15,889	(68,342)
19	Miscellaneous expense	168,199	3.04%	173,311	163,236	3.04%	168,197	(5,114)
20	Interest on customer deposits	4,919	0.00%	4,919	4,919	0.00%	4,919	-
21	Annualization & consumption adjustments	(6,455)	3.26%	(6,665)	0	3.26%	-	6,665
22	Non-recurring COVID expenses	0	0.00%	0	0	0.00%	-	-
23	Contra-OH Allocations	(115,105)	3.04%	(118,605)	(21,931)	3.04%	(22,598)	96,007
24	Depreciation and amortization expense	2,076,136	10.17%	2,287,198	1,554,545		1,704,244	(582,954)
25	Property taxes	117,722	3.31%	121,615	117,722	3.31%	121,615	-
26	Payroll taxes	67,789	3.00%	69,823	59,099	3.00%	60,872	(8,951)
27	Other taxes	37,828	-10.29%	33,935	38,482		38,482	4,547
28	Benefit costs - Pension	(3,853)	0.00%	(3,853)	(4,088)	3.00%	(4,210)	(357)
29	Regulatory fee	13,163	6.27%	13,989	12,355		13,029	(959)
30	Deferred income tax	0	0.00%	0	(16,240)	0.00%	(16,240)	(16,240)
31	State income tax	52,738	-7.45%	48,810	63,661		67,938	19,128
32	Federal income tax	431,920	3.10%	445,313	521,387		556,414	111,101
33	Total O&M and G&A Expense Adjustment	<u>6,518,967</u>		<u>6,840,357</u>	<u>6,003,074</u>		<u>6,296,866</u>	<u>(543,491)</u>

[1] Based on information provided by Company.
 [2] Company proposed growth factor.
 [3] Public Staff Corrected WSIP Exhibit 1, Sched
 [4] Growth Factor agree with Company, unless o
 [5] Public Staff Corrected WSIP Exhibit 1, Sched
 [6] Colume (f) minus Column (c), unless other wi

Agua North Carolina, Inc.
 Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
 For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-13-RY1

Line No.	Item	Rate Year 1							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$814,766)</u>	\$601,705 [2]					
2	Amortization period in years			<u>5</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>120,341</u>	\$73,495 [4]	\$21,657 [5]	\$5,737 [6]	\$3,563 [7]	\$15,889 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>361,023</u>	<u>220,484</u> [4]	<u>64,972</u> [5]	<u>17,211</u> [6]	<u>10,689</u> [7]	<u>47,667</u> [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	- [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>-</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	0 [4]	0.00 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$73,495</u>	<u>\$21,657</u>	<u>\$5,737</u>	<u>\$3,563</u>	<u>\$15,889</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$220,484</u>	<u>\$64,972</u>	<u>\$17,211</u>	<u>\$10,689</u>	<u>\$47,667</u>

[1] Column (c) minus Column (a).
 [2] Per examination of the company's response to accounting data requests
 [3] Calculated base on amount approved in Sub 497 rate case.
 [4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
 [6] Column (c) multiplied by Fairways Water allocation factor.
 [7] Column (c) multiplied by Fairways Sewer allocation factor.
 [8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-13-RY2

Line No.	Item	Rate Year 2							
		Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$814,766)</u>	\$601,705 [2]					
2	Amortization period in years			<u>5</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>120,341</u>	\$73,495 [4]	\$21,657 [5]	\$5,737 [6]	\$3,563 [7]	\$15,889 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			<u>240,682</u>	146,989 [4]	43,314 [5]	11,474 [6]	7,126 [7]	31,778 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	- [3]					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			<u>-</u>	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			<u>-</u>	0 [4]	0.00 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			<u>-</u>	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$73,495</u>	<u>\$21,657</u>	<u>\$5,737</u>	<u>\$3,563</u>	<u>\$15,889</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$146,989</u>	<u>\$43,314</u>	<u>\$11,474</u>	<u>\$7,126</u>	<u>\$31,778</u>

[1] Column (c) minus Column (a).
[2] Per examination of the company's response to accounting data requests
[3] Calculated base on amount approved in Sub 497 rate case.
[4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
[6] Column (c) multiplied by Fairways Water allocation factor.
[7] Column (c) multiplied by Fairways Sewer allocation factor.
[8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF REGULATORY COMMISSION EXPENSE
For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-13-RY3

		Rate Year 3							
Line No.	Item	Amount Per Application (a)	Public Staff Adjustment [1] (b)	Amount Per Public Staff (c)	Aqua Water (d)	Aqua Sewer (e)	Fairways Water (f)	Fairways Sewer (g)	Brookwood Water (h)
1	Rate case expense for the current proceeding	<u>\$1,416,471</u>	<u>(\$814,766)</u>	\$601,705 [2]					
2	Amortization period in years			<u>5</u>					
3	Annual rate case expense for the current period (L1 / L2)			<u>120,341</u>	\$73,495 [4]	\$21,657 [5]	\$5,737 [6]	\$3,563 [7]	\$15,889 [8]
4	Unamortized balance of current rate case expense (L1 - L3)			120,341	73,495 [4]	21,657 [5]	5,737 [6]	3,563 [7]	15,889 [8]
5	Sub 526 rate case expense	<u>\$985,454</u>	<u>(\$985,454)</u>	-					
6	Amortization period in years			<u>3</u>					
7	Annual rate case expense for the current period			-	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
8	Unamortized balance of Sub 526 rate case expense			-	0 [4]	0 [5]	0 [6]	0 [7]	0 [8]
9	Sub 497 rate case expense	<u>419,435</u>	<u>(\$419,435)</u>	-					
10	Amortization period in years			<u>3</u>					
11	Annual rate case expense for the current period			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
12	Unamortized balance of Sub 497 rate case expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
13	Sub 497, depreciation study expense	<u>\$58,664</u>	<u>(\$58,664)</u>	-					
14	Amortization period in years			<u>5</u>					
15	Annual rate case expense for the current period			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
16	Unamortized balance of depreciation study expense			-	\$0 [4]	\$0 [5]	\$0 [6]	\$0 [7]	\$0 [8]
17	Regulatory commission expense per Public Staff				<u>\$73,495</u>	<u>\$21,657</u>	<u>\$5,737</u>	<u>\$3,563</u>	<u>\$15,889</u>
18	Unamortized regulatory commission expense per Public Staff				<u>\$73,495</u>	<u>\$21,657</u>	<u>\$5,737</u>	<u>\$3,563</u>	<u>\$15,889</u>

[1] Column (c) minus Column (a).
 [2] Per examination of the company's response to accounting data requests
 [3] Calculated base on amount approved in Sub 497 rate case.
 [4] Column (c) multiplied by ANC Water allocation factor.

[5] Column (c) multiplied by ANC Sewer allocation factor.
 [6] Column (c) multiplied by Fairways Water allocation factor.
 [7] Column (c) multiplied by Fairways Sewer allocation factor.
 [8] Column (c) multiplied by Brookwood Water allocation factor.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**
For The Rate Year 1 Ended December 31, 2023

Public Staff Second Corrected WSP Exhibit 1
Schedule 3-17-RY1

Line No.	Item	Rate Year 1				
		Aqua Water (6)	Aqua Sewer (6)	Fairways Water (6)	Fairways Sewer (6)	Brookwood Water (6)
Depreciation and amortization expense						
1	Depreciation and amortization expense per base year	\$7,495,403 [1]	\$2,805,236 [1]	\$143,620 [1]	\$504,903 [1]	\$1,121,832 [1]
2	Depreciation expense rate year 1 additions	1,249,878 [2]	500,645 [2]	131,023 [2]	31,883 [2]	287,642 [2]
3	Total rate year 1 depreciation and amortization expense per Public Staff (L1+L2)	8,745,279	3,305,881	274,643	536,786	1,409,474
CIAC amortization expense						
4	CIAC amortization expense per base year					
5	CIAC amortization expense rate year 1 additions	0	0	0	0	0
6	Total rate year 1 CIAC amortization expense per Public Staff (L4+L5)	0	0	0	0	0
PAA AIA amortization expense						
7	PAA AIA amortization expense per base year					
8	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
9	Total rate year 1 PAA amortization expense per Public Staff (L7+L8)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.

[2] Public Staff Corrected WSP Exhibit 1, Schedule 3-17a-RY1, Line 9.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
**CALCULATION OF DEPRECIATION
AND AMORTIZATION EXPENSE**
For The Rate Year 2 Ended December 31, 2024

Public Staff Second Corrected WSP Exhibit 1
Schedule 3-17-RY2

Line No.	Item	Rate Year 2				
		Aqua Water (A)	Aqua Sewer (B)	Fairways Water (C)	Fairways Sewer (D)	Brookwood Water (E)
Depreciation and amortization expense						
1	Depreciation and amortization expense per base year	\$7,495,403	[1] \$2,855,236	[1] \$143,630	[1] \$504,903	[1] \$1,121,832
2	Depreciation expense rate year 1 additions	1,249,876	[2] 500,645	[2] 131,023	[2] 31,883	[2] 287,642
3	Depreciation expense rate year 2 additions	809,219	[3] 416,518	[3] 63,419	[3] 26,246	[3] 145,071
4	Total rate year 2 depreciation and amortization expense per Public Staff (L1+L2+L3)	<u>9,154,498</u>	<u>3,772,399</u>	<u>338,072</u>	<u>562,032</u>	<u>1,554,545</u>
CIAC amortization expense						
5	CIAC amortization expense per base year	0	0	0	0	0
6	CIAC amortization expense rate year 1 additions	0	0	0	0	0
7	CIAC amortization expense rate year 2 additions	0	0	0	0	0
8	Total rate year 2 CIAC amortization expense per Public Staff (L5+L6+L7)	0	0	0	0	0
PAA AIA amortization expense						
9	PAA AIA amortization expense per base year	0	0	0	0	0
10	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
11	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
12	Total rate year 2 PAA amortization expense per Public Staff (L9+L10+L11)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.
[2] Public Staff Corrected WSP Exhibit 1, Schedule 2-1(a)-RY1, Line 9.
[3] Public Staff Corrected WSP Exhibit 1, Schedule 2-1(a)-RY2, Line 9.

Aqua North Carolina, Inc.
 Docket No. W-219, Sub 573
**CALCULATION OF DEPRECIATION
 AND AMORTIZATION EXPENSE**
 For The Rate Year 3 Ended December 31, 2025

Public Staff Second Corrected WSIP Exhibit 1
 Schedule 3-17-RY3

Line No.	Item	Rate Year 3				
		Aqua Water (a)	Aqua Seawater (b)	Fairways Water (c)	Fairways Seawater (d)	Brookwood Water (e)
Depreciation expense						
1	Depreciation expense per base year	\$7,495,403 [1]	\$2,805,236 [1]	\$143,620 [1]	\$504,903 [1]	\$1,121,832 [1]
2	Depreciation expense rate year 1 additions	\$1,249,876 [2]	\$500,645 [2]	\$131,023 [2]	\$31,883 [2]	\$287,642 [2]
3	Depreciation expense rate year 2 additions	\$809,219 [3]	\$474,518 [3]	\$43,419 [3]	\$24,244 [3]	\$145,071 [3]
4	Depreciation expense rate year 3 additions	714,812 [4]	263,695 [4]	47,208 [4]	73,048 [4]	149,699 [4]
5	Total rate year 3 depreciation expense per Public Staff (1+2+3+4)	10,269,310	4,048,094	365,270	633,078	1,704,244
CIAC amortization expense						
6	CIAC amortization expense per base year	0	0	0	0	0
7	CIAC amortization expense rate year 1 additions	0	0	0	0	0
8	CIAC amortization expense rate year 2 additions	0	0	0	0	0
9	CIAC amortization expense rate year 3 additions	0	0	0	0	0
10	Total rate year 3 CIAC amortization expense per Public Staff (6+7+8+9)	0	0	0	0	0
PAA AIA amortization expense						
11	PAA AIA amortization expense per base year	0	0	0	0	0
12	PAA AIA amortization expense rate year 1 additions	0	0	0	0	0
13	PAA AIA amortization expense rate year 2 additions	0	0	0	0	0
14	PAA AIA amortization expense rate year 3 additions	0	0	0	0	0
15	Total rate year 3 PAA amortization expense per Public Staff (11+12+13+14)	0	0	0	0	0

[1] Calculated Public Staff base year depreciation and amortization expenses.
 [2] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY1, Line 9.
 [3] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY2, Line 9.
 [4] Public Staff Corrected WSIP Exhibit 1, Schedule 2-1(a)-RY3, Line 9.

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Rate Year 1 Ended December 31, 2023
AQUA WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18-RY(a)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$50,236,166	\$52,460,802	\$46,814,814	\$52,460,802	\$55,050,450	\$49,070,626	\$55,050,450	\$57,742,946	\$51,195,008
	Operating revenue deductions:									
2.	O&M and G&A expense	22,074,620	22,074,620	22,074,620	22,640,805	22,640,805	22,640,805	23,223,856	23,223,856	23,223,856
3.	Depreciation and amortization expense	8,745,279	8,745,279	8,745,279	9,554,498	9,554,498	9,554,498	10,269,310	10,269,310	10,269,310
4.	Property taxes	625,440	625,440	625,440	646,123	646,123	646,123	667,490	667,490	667,490
5.	Payroll taxes	529,567	529,567	529,567	545,454	545,454	545,454	561,818	561,818	561,818
6.	Other taxes	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357	174,357
7.	Benefit costs - Pension	(17,968)	(17,968)	(17,968)	(18,507)	(18,507)	(18,507)	(19,063)	(19,063)	(19,063)
8.	Regulatory fee	70,331	73,445	65,541	73,445	77,071	68,699	77,071	80,840	71,673
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	3,641,097 [2]	3,641,097 [4]	3,641,097 [6]	3,849,253 [2]	3,849,253 [4]	3,849,253 [6]	4,043,836 [2]	4,043,836 [4]	4,043,836 [6]
11.	Total deductions (Sum of L2 thru L10)	35,842,723	35,845,837	35,837,933	37,465,428	37,469,054	37,460,682	38,998,675	39,002,444	38,993,277
12.	Taxable income (L1 - L11)	14,393,443	16,614,965	10,976,881	14,995,375	17,581,397	11,609,945	16,051,776	18,740,503	12,201,732
13.	State income tax (L12 x 2.50%)	359,836	415,374	274,422	374,884	439,535	290,249	401,294	468,513	305,043
14.	Federal taxable income (L12 - L13)	14,033,607	16,199,591	10,702,459	14,620,491	17,141,862	11,319,696	15,650,482	18,271,990	11,896,689
15.	Federal income tax (L14 x 21.00%)	2,947,058	3,401,914	2,247,516	3,070,303	3,599,791	2,377,136	3,286,601	3,837,118	2,498,305
16.	Excess deferred income tax amortization	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)	(74,576)
17.	Net amount (L12 - L13 - L15 - L16)	11,161,125	12,872,253	8,529,519	11,624,764	13,616,647	9,017,136	12,438,457	14,509,448	9,472,960
18.	Add: interest expense	3,641,097 [2]	3,641,097 [4]	3,641,097 [6]	3,849,253 [2]	3,849,253 [4]	3,849,253 [6]	4,043,836 [2]	4,043,836 [4]	4,043,836 [6]
19.	Net income for return (L17 + L18)	\$14,802,222	\$16,513,350	\$12,170,616	\$15,474,017	\$17,465,900	\$12,866,389	\$16,482,293	\$18,553,284	\$13,516,796

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(a), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(a), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Rate Year 2 Ended December 31, 2024
AQUA SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18-RY(b)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]	Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]	Present Rates [1]	Company Proposed Rates [3]	Public Staff Recommended Rates [5]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.	Operating revenue	\$21,410,287	\$22,266,283	\$20,002,866	\$22,266,283	\$23,379,031	\$21,721,864	\$23,379,031	\$24,536,497	\$22,377,804
	Operating revenue deductions:									
2.	O&M and G&A expense	9,925,175	9,925,175	9,925,175	10,212,207	10,212,207	10,212,207	10,378,667	10,378,667	10,378,667
3.	Depreciation and amortization expense	3,305,881	3,305,881	3,305,881	3,780,399	3,780,399	3,780,399	4,044,094	4,044,094	4,044,094
4.	Property taxes	16,440	16,440	16,440	16,984	16,984	16,984	17,546	17,546	17,546
5.	Payroll taxes	175,333	175,333	175,333	180,593	180,593	180,593	186,011	186,011	186,011
6.	Other taxes	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289	48,289
7.	Benefit costs - Pension	(4,964)	(4,964)	(4,964)	(5,112)	(5,112)	(5,112)	(5,266)	(5,266)	(5,266)
8.	Regulatory fee	29,974	31,173	28,004	31,173	32,731	30,411	32,731	34,351	31,329
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	1,617,274 [2]	1,617,274 [4]	1,617,274 [6]	1,852,194 [2]	1,852,194 [4]	1,852,194 [6]	1,906,394 [2]	1,906,394 [4]	1,906,394 [6]
11.	Total deductions (Sum of L2 thru L10)	15,113,403	15,114,602	15,111,433	16,116,727	16,118,285	16,115,965	16,608,466	16,610,086	16,607,064
12.	Taxable income (L1 - L11)	6,296,884	7,151,681	4,891,433	6,149,556	7,260,746	5,605,899	6,770,565	7,926,411	5,770,740
13.	State income tax (L12 x 2.50%)	157,422	178,792	122,286	153,739	181,519	140,147	169,264	198,160	144,268
14.	Federal taxable income (L12 - L13)	6,139,462	6,972,889	4,769,147	5,995,817	7,079,227	5,465,752	6,601,301	7,728,251	5,626,472
15.	Federal income tax (L14 x 21.00%)	1,289,287	1,464,307	1,001,521	1,259,122	1,486,638	1,147,808	1,386,273	1,622,933	1,181,559
16.	Excess deferred income tax amortization	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)	(20,946)
17.	Net amount (L12 - L13 - L15 - L16)	4,871,121	5,529,528	3,788,572	4,757,641	5,613,535	4,338,890	5,235,974	6,126,264	4,465,859
18.	Add: interest expense	1,617,274 [2]	1,617,274 [4]	1,617,274 [6]	1,852,194 [2]	1,852,194 [4]	1,852,194 [6]	1,906,394 [2]	1,906,394 [4]	1,906,394 [6]
19.	Net income for return (L17 + L18)	\$6,488,395	\$7,146,802	\$5,405,846	\$6,609,835	\$7,465,729	\$6,191,084	\$7,142,368	\$8,032,658	\$6,372,253

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(b), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(b), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Rate Year 3 Ended December 31, 2025
FAIRWAYS WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18-RY(c)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates	Present Rates	Company Proposed Rates	Public Staff Recommended Rates
		(a) [1]	(b) [3]	(c) [5]	(d) [1]	(e) [3]	(f) [5]	(g) [1]	(h) [3]	(i) [5]
1.	Operating revenue	\$1,981,417	\$2,209,380	\$2,081,590	\$2,209,380	\$2,319,964	\$2,191,984	\$2,319,964	\$2,429,857	\$2,342,324
	Operating revenue deductions:									
2.	O&M and G&A expense	942,881	942,881	942,881	970,456	970,456	970,456	998,863	998,863	998,863
3.	Depreciation and amortization expense	274,643	274,643	274,643	318,062	318,062	318,062	365,270	365,270	365,270
4.	Property taxes	32,528	32,528	32,528	33,604	33,604	33,604	34,715	34,715	34,715
5.	Payroll taxes	22,017	22,017	22,017	22,678	22,678	22,678	23,358	23,358	23,358
6.	Other taxes	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519	13,519
7.	Benefit costs - Pension	(1,392)	(1,392)	(1,392)	(1,433)	(1,433)	(1,433)	(1,476)	(1,476)	(1,476)
8.	Regulatory fee	2,774	3,093	2,914	3,093	3,248	3,069	3,248	3,402	3,279
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	198,469 [2]	198,469 [4]	198,469 [6]	207,761 [2]	207,761 [4]	207,761 [6]	225,766 [2]	225,766 [4]	225,766 [6]
11.	Total deductions (Sum of L2 thru L10)	1,485,440	1,485,759	1,485,580	1,567,740	1,567,895	1,567,716	1,663,263	1,663,417	1,663,294
12.	Taxable income (L1 - L11)	495,978	723,622	596,011	641,641	752,070	624,269	656,701	766,440	679,030
13.	State income tax (L12 x 2.50%)	12,399	18,091	14,900	16,041	18,802	15,607	16,418	19,161	16,976
14.	Federal taxable income (L12 - L13)	483,579	705,531	581,111	625,600	733,268	608,662	640,283	747,279	662,054
15.	Federal income tax (L14 x 21.00%)	101,552	148,161	122,033	131,376	153,986	127,819	134,459	156,929	139,031
16.	Excess deferred income tax amortization	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)	(5,851)
17.	Net amount (L12 - L13 - L15 - L16)	387,878	563,221	464,929	500,075	585,133	486,694	511,675	596,201	528,874
18.	Add: interest expense	198,469 [2]	198,469 [4]	198,469 [6]	207,761 [2]	207,761 [4]	207,761 [6]	225,766 [2]	225,766 [4]	225,766 [6]
19.	Net income for return (L17 + L18)	\$586,347	\$761,690	\$663,398	\$707,836	\$792,894	\$694,455	\$737,441	\$821,967	\$754,640

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(c), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(c), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
FAIRWAYS SEWER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18-RY(d)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$3,608,933	\$3,757,741	\$2,801,439	\$3,757,741	\$3,802,109	\$2,840,536	\$3,802,109	(\$722,636)	\$3,079,473
	Operating revenue deductions:									
2.	O&M and G&A expense	972,006	972,006	972,006	1,000,785	1,000,785	1,000,785	1,030,430	1,030,430	1,030,430
3.	Depreciation and amortization expense	536,786	536,786	536,786	561,030	561,030	561,030	634,076	634,076	634,076
4.	Property taxes	2,811	2,811	2,811	2,904	2,904	2,904	3,000	3,000	3,000
5.	Payroll taxes	15,454	15,454	15,454	15,918	15,918	15,918	16,395	16,395	16,395
6.	Other taxes	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461	8,461
7.	Benefit costs - Pension	(871)	(871)	(871)	(898)	(898)	(898)	(924)	(924)	(924)
8.	Regulatory fee	5,053	5,261	3,922	5,261	5,323	3,977	5,323	5,501	4,311
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	313,666 [2]	313,666 [4]	313,666 [6]	310,075 [2]	310,075 [4]	310,075 [6]	343,570 [2]	343,570 [4]	343,570 [6]
11.	Total deductions (Sum of L2 thru L10)	1,853,366	1,853,574	1,852,235	1,903,536	1,903,598	1,902,252	2,040,331	2,040,509	2,039,319
12.	Taxable income (L1 - L11)	1,755,567	1,904,167	949,204	1,854,205	1,898,511	938,284	1,761,777	(2,763,145)	1,040,153
13.	State income tax (L12 x 2.50%)	43,889	47,604	23,730	46,355	47,463	23,457	44,044	0	26,004
14.	Federal taxable income (L12 - L13)	1,711,678	1,856,563	925,474	1,807,850	1,851,048	914,827	1,717,733	(2,763,145)	1,014,149
15.	Federal income tax (L14 x 21.00%)	359,452	389,878	194,349	379,648	388,720	192,114	360,724	0	212,971
16.	Excess deferred income tax amortization	(3,659)	0	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)	(3,659)
17.	Net amount (L12 - L13 - L15 - L16)	1,355,885	1,466,685	734,784	1,431,861	1,465,987	726,372	1,360,668	(2,759,486)	804,837
18.	Add: interest expense	313,666 [2]	313,666 [4]	313,666 [6]	310,075 [2]	310,075 [4]	310,075 [6]	343,570 [2]	343,570 [4]	343,570 [6]
19.	Net income for return (L17 + L18)	\$1,669,551	\$1,780,351	\$1,048,450	\$1,741,936	\$1,776,062	\$1,036,447	\$1,704,238	(\$2,415,916)	\$1,148,407

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(d), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(d), Line 7, Column (e).

Aqua North Carolina, Inc.
Docket No. W-218, Sub 573
CALCULATION OF INCOME TAXES
For The Test Year Ended December 31, 2021
BROOKWOOD WATER OPERATIONS

Public Staff Second Corrected WSIP Exhibit 1
Schedule 3-18-RY(e)

Line No.	Item	Rate Year 1			Rate Year 2			Rate Year 3		
		Present Rates [1] (a)	Company Proposed Rates [3] (b)	Public Staff Recommended Rates [5] (c)	Present Rates [1] (d)	Company Proposed Rates [3] (e)	Public Staff Recommended Rates [5] (f)	Present Rates [1] (g)	Company Proposed Rates [3] (h)	Public Staff Recommended Rates [5] (i)
1.	Operating revenue	\$8,448,951	\$9,122,602	\$8,348,831	\$9,122,602	\$9,561,818	\$8,824,943	\$9,561,818	\$10,025,479	\$9,306,754
	Operating revenue deductions:									
2.	O&M and G&A expense	3,560,451	3,560,451	3,560,451	3,656,151	3,656,151	3,656,151	3,754,722	3,754,722	3,754,722
3.	Depreciation and amortization expense	1,409,474	1,409,474	1,409,474	1,554,545	1,554,545	1,554,545	1,704,244	1,704,244	1,704,244
4.	Property taxes	113,954	113,954	113,954	117,722	117,722	117,722	121,615	121,615	121,615
5.	Payroll taxes	57,378	57,378	57,378	59,099	59,099	59,099	60,872	60,872	60,872
6.	Other taxes	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482	38,482
7.	Benefit costs - Pension	(3,969)	(3,969)	(3,969)	(4,088)	(4,088)	(4,088)	(4,210)	(4,210)	(4,210)
8.	Regulatory fee	11,829	12,772	11,688	12,772	13,387	12,355	13,387	14,036	13,029
9.	Gross receipts tax	0	0	0	0	0	0	0	0	0
10.	Interest expense	787,482 [2]	787,482 [4]	787,482 [6]	844,221 [2]	844,221 [4]	844,221 [6]	900,471 [2]	900,471 [4]	900,471 [6]
11.	Total deductions (Sum of L2 thru L10)	5,975,081	5,976,024	5,974,940	6,278,904	6,279,519	6,278,487	6,589,582	6,590,231	6,589,224
12.	Taxable income (L1 - L11)	2,473,870	3,146,578	2,373,891	2,843,698	3,282,299	2,546,456	2,972,235	3,435,247	2,717,529
13.	State income tax (L12 x 2.50%)	61,847	78,664	59,347	71,092	82,057	63,661	74,306	85,881	67,938
14.	Federal taxable income (L12 - L13)	2,412,023	3,067,914	2,314,544	2,772,606	3,200,242	2,482,795	2,897,929	3,349,366	2,649,591
15.	Federal income tax (L14 x 21.00%)	506,525	644,262	486,054	582,247	672,051	521,387	608,565	703,367	556,414
16.	Excess deferred income tax amortization	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)	(16,240)
17.	Net amount (L12 - L13 - L15 - L16)	1,921,738	2,439,892	1,844,730	2,206,599	2,544,431	1,977,648	2,305,604	2,662,239	2,109,417
18.	Add: interest expense	787,482 [2]	787,482 [4]	787,482 [6]	844,221 [2]	844,221 [4]	844,221 [6]	900,471 [2]	900,471 [4]	900,471 [6]
19.	Net income for return (L17 + L18)	\$2,709,220	\$3,227,374	\$2,632,212	\$3,050,820	\$3,388,652	\$2,821,869	\$3,206,075	\$3,562,710	\$3,009,888

[1] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (c), unless footnoted otherwise.
[2] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 1, Column (e).
[3] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (e), unless footnoted otherwise.
[4] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 4, Column (e).
[5] Public Staff Corrected WSIP Exhibit 1, Schedule 3(e), Column (g), unless footnoted otherwise.
[6] Public Staff Corrected WSIP Exhibit 1, Schedule 1(e), Line 7, Column (e).